

#5
OB 117332

ORDINANCE _____

AN ORDINANCE authorizing the Superintendent of Parks and Recreation to sign a lease with 2235 Fifth Avenue, LLC, a Washington Limited Liability Company for a building and land located at 2235 Fifth Avenue for a public Community Center as described in the 1999 Community Centers and Seattle Center Levy, and ratifying and confirming certain prior acts.

WHEREAS, the 1999 Community Centers and Seattle Center Levy ("Levy") allocated \$1,910,000 for the acquisition and improvement of a facility for community gatherings in the Belltown neighborhood; and

WHEREAS, the building located at 2235 Fifth Avenue contains adequate space and can be leased and improved within the Levy's budget; and

WHEREAS, Parks and Recreation has engaged the community in a public process resulting in the consideration and elimination of several sites due to financial and other considerations; and

WHEREAS, this proposed lease will secure a property on the newly-developed Bell Street Boulevard creating an opportunity to integrate two valuable recreational resources in the Belltown neighborhood; and

WHEREAS, no additional feasible sites have become available nor are any anticipated;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Superintendent of Parks and Recreation is hereby authorized to sign a lease with 2235 Fifth Avenue, LLC, a Washington limited liability company for land, building and building improvements substantially in the form of Attachment 1 to this ordinance affecting real property described as follows:

Lot 7 in block k of bell's 5th addition to the City of Seattle, according to plat recorded in Volume 1 of Plats at page 191, in King County Washington.



1 Except the easterly 12 feet thereof condemned in King County Superior Court Cause no.
2 52280 for widening 5th Avenue, as provided under Ordinance no. 13776 of the City of
3 Seattle.

4 Also, except that portion thereof condemned for Monorail system in King County
5 Superior Court Cause no. 642136, as provided under ordinance no. 93917.
6

7 Section 2. Any act consistent with the authority of this ordinance taken after its passage
8 and prior to its effective date is hereby ratified and confirmed
9

10 Section 3. This ordinance shall take effect and be in force 30 days after its approval by
11 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
12 shall take effect as provided by Seattle Municipal Code Section 1.04.020.
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1 Passed by the City Council the ____ day of _____, 2011, and
2 signed by me in open session in authentication of its passage this
3 ____ day of _____, 2011.

4
5 _____
6 President _____ of the City Council

7
8 Approved by me this ____ day of _____, 2011.

9
10 _____
11 Michael McGinn, Mayor

12
13 Filed by me this ____ day of _____, 2011.

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15 _____
16 Monica Martinez Simmons, City Clerk

17 (Seal)

18 Attachment 1: Lease Agreement
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LEASE

THIS LEASE is entered into by Landlord and Tenant as described in the following Basic Lease Information, effective as of the _____ day of November, 2011. Landlord and Tenant agree as follows:

ARTICLE 1--BASIC LEASE INFORMATION

1.1 Basic Lease Information. In addition to the terms that are defined elsewhere in this Lease, these terms are used in this Lease:

- (a) LANDLORD: 2235 Fifth Avenue LLC, a Washington limited liability company.
- (b) LANDLORD'S ADDRESS: 2235 Fifth Avenue LLC
9125 10th Avenue South
Seattle, Washington 98108
- (c) TENANT: City of Seattle, a Washington municipal corporation
- (d) TENANT'S ADDRESS: 800 Maynard Ave. S
Seattle, Washington 98134
Attn: Property and Acquisition Services
- (e) PREMISES: The entire Building and Land located at 2235 5th Avenue in Seattle, Washington, hereinafter referred to as the "Premises" and further legally-described on Exhibit A, attached. The Premises consist of approximately 6,480 rentable square feet.
- (f) LEASE COMMENCEMENT DATE: The date that this Lease has been executed by both parties.
- (g) RENT COMMENCEMENT DATE: The Rent Commencement Date shall be the date that is the earlier to occur of the following:
 - (i) the Acceptance Date as defined in Section 3.5 below; or
 - (ii) December 1st, 2011
- (h) EXPIRATION DATE: The last day of the calendar month that is eighty four (84) calendar months following the Rent Commencement Date.
- (i) TERM: Eighty four (84) months.
- (j) BASE RENT: Commencing upon the Rent Commencement Date, the Base Rent shall be as follows:

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Period	Annual Base Rent Per Rentable Square Foot	Monthly Base Rent
Months 1 through 12	\$16.00	\$ 8,640.00
Months 13 through 60	\$17.00	\$ 9,180.00
Months 61 through 84	\$19.50	\$10,530.00

- (k) SECURITY DEPOSIT: \$10,530.00
- (l) ADDITIONAL RENT: Commencing upon the Rent Commencement Date, the estimated 2011 portion of Additional Rent for taxes and insurance shall be \$1,620.00 per month. Additional Rent, when combined with Base Rent, shall be referred to collectively as "Rent" in this Lease.
- (m) OPTION TO RENEW: See Exhibit C.
- (n) PERMITTED USE: Tenant shall use the Premises for any legally permitted uses, in accordance with, and as allowable by, all applicable zoning codes and subject to the limitations in Article 2.

1.2 Exhibits. The following Exhibits are attached to this Lease and are made part of this Lease:

EXHIBIT A: Legal Description of the Premise
EXHIBIT B: Tenants Design Program
EXHIBIT C: Option to Renew

ARTICLE 2--AGREEMENT AND USE

Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, according to this Lease, for a period beginning on the Lease Commencement Date and ending on the Expiration Date. Tenant shall be permitted to use the Premises as outlined in Article 1.1, provided, however, that no part of the Premises shall be used as a shelter or similar use; a bar, nightclub, tavern (excluding a brew pub or restaurant pub, sports bar) or cocktail lounge (except for a restaurant that serves liquor and except for a martini bar or wine bar type concept); an adult book store or adult video store, X-rated videos or other sexually oriented businesses; check cashing operations; automotive maintenance or repair facility; thrift or surplus store; flea market, pawnshop, business selling second-hand goods (provided, however, first class stores which may include as part of their merchandise used, antiques or collectible items, are permitted); body or fender shop; recycling facility (except as required by law); mortuary, funeral parlor or similar establishment; house of worship; booth for the sale of fireworks; any mobile home or trailer court; shop selling drug paraphernalia; warehouse for the renting, leasing or selling of any boat, motor vehicle or trailer; or for industrial purposes. Tenant will refrain from using the Premises in any manner constituting a nuisance or waste and Tenant shall at all times comply with all statutes, laws, rules, regulations, ordinances, and orders of any governmental agency governing the use and occupancy of the Premises ("Applicable Laws"). If the Applicable Laws are hereafter changed so as to require during the Term of this Lease the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or any other physical modification of the Premises ("Law-Required Capital Expenditure"), then Landlord and Tenant shall allocate the cost of such work as follows:



- (a) If such Law-Required Capital Expenditure is required as a result of the specific and unique use of the Premises or an Alteration (as defined in Section 9.4 below) or improvement made by Tenant, as compared with uses by tenants in general, Tenant shall be fully responsible for the cost thereof; provided, however, that if such Law-Required Capital Expenditure is required during the last two (2) years of this Lease and the cost thereof exceeds six (6) months' Base Rent, Tenant may instead terminate this Lease unless Law-Required Capital Expenditure is a direct result of the Tenant's Alterations
- (b) If such Law-Required Capital Expenditure is not the result of the specific and unique use of the Premises or an Alteration by Tenant, but applies to like property in general (such as, for example, governmentally-mandated seismic modifications), then Landlord or Tenant may terminate the lease by providing either party with 90 days of prior written notice; otherwise (i) Landlord shall be responsible for the cost thereof, and (ii) Tenant shall only be obligated to pay each month during the remainder of the Term of this Lease on the date on which Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is the number of months of the useful life of such replacement as such useful life is specified pursuant to Federal income tax regulations or guidelines for depreciation thereof (including interest on the unamortized balance as is then commercially reasonable in the judgment of Landlord's accountants), with Tenant reserving the right to prepay its obligation at any time.

ARTICLE 3--DELIVERY OF PREMISES

3.1 General. Landlord shall use its best commercially reasonable efforts to deliver possession of the Premises to Tenant with Landlord's completion of Interior Improvements by the earliest date possible. However, if, despite such best efforts, Landlord fails to deliver the Premises by such date desired by Tenant, Landlord shall not be subject to any liability therefore nor shall such failure affect the validity of this Lease; provided, however, that if the Interior Improvements are not completed within 180 days following Lease Commencement Date, then the Tenant shall be entitled to terminate this Lease by providing ten (10) days' written notice to Landlord, upon which the Landlord shall be reimbursed for all direct costs incurred to the date of termination. Landlord request for reimbursement shall include invoices, statements and such other backup documentation as may be reasonably appropriate to establish and substantiate the costs for which Landlord seeks reimbursement.

3.2 Condition of Premises Upon Delivery. Landlord shall perform all such work as may be necessary in order deliver the Premises to Tenant in the condition that is specified on Exhibit B, attached, hereinafter referred to as "Interior Improvements". Landlord shall perform such work at Landlord's expense. Landlord's contribution for Interior Improvements shall not exceed one hundred twenty nine thousand, six hundred dollars (\$129,600.00) (hereinafter referred to as "Landlord's Contribution"). If and only if, upon completion of Interior Improvements, said work exceeds Landlord's Contribution, Tenant shall reimburse the Landlord for the cost above Landlord's Contribution, within thirty (30) days of Landlord submitting written request to Tenant for reimbursement. Landlord request for reimbursement shall include invoices, statements and such other backup documentation as may be reasonably appropriate to establish and substantiate the costs for which Landlord seeks reimbursement.

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(a) Negotiation of Price and Terms Between Landlord and Tenant. Once Tenant's architect prepares the plans and other documents setting forth the design of and specifications for the Interior Improvements based on Tenant's Design Program (Exhibit B, attached) and once Tenant has approved the design and specifications thereof and provided them to the Landlord, Landlord shall propose, within fourteen (14) days thereafter, a price, construction timeframe, and payment timing and method for Tenant's consideration and approval (hereinafter, referred to as "Landlord's Interior Improvements Proposal"). Tenant shall not unreasonably withhold or condition its approval. If Landlord and Tenant agree in writing as to a price, construction timeframe, and payment timing and method for the Interior Improvements (hereinafter referred to as a "Landlord-Tenant Interior Construction Agreement"), then Landlord shall commence the Interior Improvements. If, however, Landlord and Tenant have not reached such a written agreement within thirty (30) days following Tenant's receipt of Landlord's Interior Improvements Proposal, Tenant shall be entitled to have its own construction contractor construct the Landlord-approved Interior Improvements at Tenant's sole discretion.

(b) Interior Improvements to Be Done in Accordance with Approved Plans and Specifications All of the Interior Improvements shall be constructed or installed pursuant to the plans and specifications prepared by Tenant and approved, in writing, by Landlord.

(c) Tenant's Contractor's Insurance Policies to Name Landlord and Landlord's Property Manager. In the event that Tenant has its own contractor construct and install the Interior Improvements, Tenant's contractor shall name Landlord and Landlord's property manager and each of their respective managers, members, partners, officers, directors, employees and agents as primary and non-contributory additional insureds for all limits carried on all of contractor's insurance policies.

(d) Interior Improvements to Be Done in Accordance with Permits and Applicable Laws. All of the Interior Improvements shall be constructed and completed in a good, workmanlike manner. Landlord and Tenant shall obtain all necessary governmental permits, licenses and approvals with respect thereto. Landlord or Tenant (depending upon whether Landlord or Tenant's contractor constructs the Interior Improvements) shall fully comply with all governmental statutes, ordinances, rules, regulations and other laws pertaining to the construction and installation of the Interior Improvements.

3.3 Change Orders. Without the prior approval of Landlord and Tenant (which approval shall not be unreasonably withheld, delayed or conditioned), no changes shall be made to the design of the Interior Improvements. Landlord and Tenant shall promptly and diligently respond to any change order request made by the other party, and all change orders shall require the written agreement of both Landlord and Tenant to be effective. The costs for any work performed pursuant to a change order shall be the responsibility of Landlord and Tenant as follows:

(a) The costs for any change order arising due to a Landlord request shall be the responsibility of Landlord.

(b) In the event Tenant, Tenant's architect or Tenant's representative requests a change order related to the Interior Improvements, Landlord shall, within seven (7) days after such request, obtain a cost estimate on such change order from Landlord's general contractor and provide such cost estimate to Tenant for approval. Within seven (7) days after receipt of such cost estimate, Tenant shall either approve such cost estimate or reject such cost estimate. (Failure to timely approve in writing

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shall be deemed a rejection.) If approved by Tenant, such change order shall be deemed effective and, within thirty (30) days following substantial completion of the work contemplated by the change order, Tenant shall reimburse Landlord for the direct costs associated with such change order, not to exceed the amount of the estimate provided by Landlord's general contractor. If Tenant rejects the cost estimate provided by Landlord's general contractor, the change order shall be deemed ineffective, provided that if the work provided by the proposed change order proceeds without Tenant's approval, Landlord shall be solely responsible for the cost of such change order work as part of the Interior Improvements.

(c) Tenant shall be financially responsible for all change orders requested and/or approved by Tenant that relate to the Interior Improvements.

3.4 Warranty Claims: LANDLORD MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR HABITABILITY. Notwithstanding the above, the Landlord shall timely and diligently pursue any and all warranty claims and latent defect claims against its general contractor or other parties for defects relating to the Building shell and core and Interior Improvements and shall cooperate in good faith with the Tenant in pursuing all such claims; PROVIDED, HOWEVER, that Landlord need pursue those claims only to the extent that Landlord deems prudent in the exercise of Landlord's reasonable business judgment. In the event that the Landlord does not pursue any or all such claims, Tenant shall have the right to pursue such claims independently.

3.5 Acceptance of Premises. Upon Landlord's completion of the Interior Improvements and written notification of delivery of the Premises to Tenant, representatives of Landlord, Landlord's contractor, and Tenant shall together have a walk-through inspection of the Building within five (5) business days following Landlord's written notice to Tenant of completion of the Interior Improvements. Tenant shall acknowledge to Landlord in writing within twenty (20) business days following that notice that Tenant has inspected the Premises and accepts them in their then-existing condition or else, within said twenty (20) business day period, shall notify Landlord in writing of any deficiencies (the "Punch List Items"). Except for latent defects and all warranty claims, a failure by Tenant to provide the above written notice to Landlord within said twenty (20) business day period shall be deemed acceptance of the Premises in their then-existing condition. The Landlord's obligation and/or liability to Tenant for deficiencies shall be strictly limited to the correction of the noted deficiencies in the Punch List Items, which Landlord shall correct within thirty (30) days of Landlord's receipt of Tenant's notice of Punch List Items, which corrections need be made only to the extent of compliance with the Interior Improvements and any change orders. The "Acceptance Date" shall be the earlier of (i) completion of all Interior Improvements and Punch List Items or (ii) occupancy of the space.

ARTICLE 4--RENT

4.1 Rent. Tenant will pay monthly Rent to Landlord as payment for the use of the Premises. Monthly Rent will be paid in advance, at Landlord's address, on or before the first day of each calendar month of the Term, in lawful money of the United States, without notice or demand, except as provided herein. If the Term commences on a day other than the first day of a calendar month, then monthly Rent will be prorated for the first and last months, as applicable. Any amounts that this Lease requires Tenant to pay in addition to Base Rent will be deemed "Additional Rent".

4.2 Late Charge and Interest. Tenant acknowledges that late payment by Tenant to Landlord of Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will



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be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Landlord by the terms of any ground lease, mortgage or deed of trust covering the Premises. Accordingly, if any installment of Rent or other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after such amount shall be due, then, without any requirement for notice to Tenant, Tenant shall pay to Landlord a late charge ("Late Charge") equal to eight percent (8%) of such overdue amount. Any monetary payment due Landlord hereunder, other than late charges, not received by Landlord when due (as to scheduled payments such as monthly Rent) or within 30 days following the date on which it was due (for nonscheduled payments) shall bear interest from the date due, as to scheduled payments, or from the 31st day after the date due, as to nonscheduled payments. The interest ("Interest Rate") charged shall be computed at the rate of twelve percent (12%) per annum but shall not exceed the maximum rate allowed by law.

4.3 Security Deposit. Upon the execution hereof, Tenant has deposited with Landlord as a security deposit the sum shown in Section 1.1, above. Said sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the entire term hereof. If Tenant defaults with respect to any provision of this Lease, including, but not limited to the provisions relating to the payment of Rent or other charges and sums due under this Lease, Landlord may (but shall not be required to) use, apply or retain all or any part of the security deposit for the payment of any Rent, or other charges or sum due under this Lease or any sum in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss, damage, cost or expense (including attorneys' fees) which Landlord may suffer or incur by reason of Tenant's default. If any portion of said security deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefor, deposit a certified or cashier's check with Landlord in an amount sufficient to restore the security deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof after deduction hereunder by Landlord shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within thirty (30) days following expiration of the Lease Term; provided that, in the event this Lease shall be terminated by, or upon the default of, the Tenant, the security deposit shall be retained by Landlord and all of Tenant's interest therein shall terminate. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor-in-interest.

ARTICLE 5--ADDITIONAL RENT

5.1 Taxes and Insurance.

(a) In addition to the Monthly Rent provided for in Section 4.1, above, commencing on the Rent Commencement Date, Tenant shall pay to Landlord in monthly installments its pro rata share of (i) all real estate taxes (as defined below) and (ii) all insurance premiums that Landlord incurs concerning the Land and all of the buildings and improvements on the Land. Said insurance premiums shall include all insurance premiums for fire, flood, earthquake, liability, loss of rents insurance, and any other insurance and endorsements, which may include an "all risk" endorsement, or any other commercially reasonable insurance that Landlord or Landlord's lender deems necessary.

(b) The term "real estate taxes" shall include all real estate taxes and assessments, whether special or general and including any road improvement districts, water improvement district, if any, and any other utility installation hookup, tie-in or similar charges or assessments that are levied upon and/or



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assessed against the Premises and/or payable during or with respect to the Lease Term and the cost of professional consultants and/or counsel to analyze tax bills and prosecute any protest, refunds and appeals; provided, that all such payments shall be paid on a cash basis without regard to whether such real estate taxes apply to a period before or after the Lease Term (or any Renewal Term) and without regard to whether Tenant was in possession of the Premises during the time covered by the particular tax statement.

5.2 Operating Costs. "Operating Costs" means all costs and expenses paid or incurred for maintaining, operating, repairing, replacing, owning and administering the Premises, and the personal property directly used in conjunction therewith, including without limitation, the costs of services; supplies; compensation (including employment taxes and fringe benefits) of all persons who perform duties in connection with the operation, maintenance, repair, replacement and administration of the Premises, its equipment and facilities. Tenant shall be responsible for maintaining the Premises and payment of all Operating Costs; however, if Landlord for any reason pays for an Operating Cost more than once in a two year period, Landlord shall charge Tenant for the entire cost plus a management fee of ten (10) percent of the cost and Tenant shall reimburse Landlord within 30 days of receipt of an invoice. It is understood that in no event shall Operating Costs include the following (a) lease commissions; (b) depreciation on the building; (c) interest payments and financing costs associated with the Premises financing; (d) legal fees associated with the preparation, interpretation and/or enforcement of leases; (e) repairs and replacements for which and to the extent that Landlord has been reimbursed by insurance and/or paid pursuant to warranties or paid by third parties; (f) advertising and promotional expenses; (g) costs representing amounts paid to an affiliate of Landlord for services or materials which are in excess of the amounts which would have been paid in the absence of such relationships; (h) interest, points and fees on debt or amortization on or for any mortgage or mortgages encumbering the Premises, and all principal escrow deposits and other sums paid on or in respect to any indebtedness and on any equity participation of any lender or lessor, and all costs incurred in connection with any financing, refinancing, or syndication of the Premises; (i) Landlord's charitable contributions; (j) or any franchise fees or license fees.

5.3 Definition of Adjustments. For purposes of this Lease, the term "Adjustments" means, collectively, real estate taxes, insurance, the Operating Costs and other costs and expenses to be paid pursuant to this Article 5.

5.4 Statement of Adjustments.

(a) Procedural and Substantive Provisions. Upon commencement of the obligation to pay Adjustments, Landlord shall submit to Tenant a statement of the anticipated monthly Adjustments and other charges, if any, as reasonably determined by Landlord for the period between Rent Commencement and calendar year end. Tenant shall pay the same and all subsequent monthly payments of Adjustments concurrently with the payment of Monthly Rent, such Adjustments shall be due and payable on or before the first day of each month, in advance, without adjustment or offset. Tenant shall continue to make said monthly payments of Adjustments until notified by Landlord of a change thereof. By March 1 of each year during the Term of this Lease, Landlord shall give Tenant a statement showing the total Adjustments and other charges, if any, for the prior calendar year along with its supporting documentation. The first and last such statements during the Lease Term shall be prorated from the commencement of the obligation to pay Adjustments and the expiration of the Lease Term. In the event that the total of the monthly payments of Adjustments which Tenant has made for the prior Lease Year shall be less than the Adjustments and other charges, then Tenant shall pay the difference in a lump sum within thirty (30) days after receipt of such statement from Landlord and shall concurrently pay the difference in monthly payments which are then calculated as monthly Adjustments and other charges next coming due. In the event that the total of the

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monthly payments of Adjustments which Tenant has made for the prior Lease Year exceed the actual Adjustments and other charges, then Landlord shall credit such excess to the next monthly payments of such Adjustments and other charges which thereafter come due. Even though the Lease Term has expired or has been terminated and Tenant has vacated the Premises, when the final determination is made of said Adjustments and other charges for the year in which the Lease expires or terminates, Tenant shall immediately pay any increase due over the estimated Adjustments and other charges previously paid and, conversely, any overpayment made shall be immediately rebated by Landlord to Tenant, provided that all or any part of such refund may be applied by Landlord in payment of any delinquent or past due sum, including Rent or any other amounts due from Tenant.

(b) Tenant's Right to Audit. Throughout the Term, Landlord shall keep complete and accurate books and records documenting its determination of the Assessments. Tenant and its authorized representatives shall have the right, at Tenant's sole cost and on no less than ten (10) days' prior written notice to Landlord, to audit Landlord's records and books regarding the Adjustments. Such an audit shall be performed at Landlord's principal accounting offices by either (a) an employee or consultant of Tenant who is qualified in property management practices; (b) the Washington State Auditor; or (c) a certified public accountant (a "Qualified Auditor"). There shall be no more than one (1) audit in any twelve-month (12-month) period.

5.5 Other Taxes to be Paid By Tenant. Tenant will pay promptly when due all personal property taxes on Tenant's personal property in and on the Premises and any other taxes payable by Tenant, the non-payment of which might give rise to a lien on the Premises or on Tenant's interest in the Premises.

5.6 Utilities. Tenant will be solely responsible for and will contract directly for provision of and pay the appropriate utility purveyors for all water, sewer, gas, electricity, heat, and other utilities and communications services used by Tenant on the Premises during the Term and during any holdover period. Commencing on the Rent Commencement Date, Tenant shall arrange to have all utilities billed directly to Tenant. If Landlord furnishes any of the above utilities, Tenant shall reimburse Landlord at the cost charged by the utility company to the Landlord of such utilities. In no event shall Landlord be liable for an interruption of the supply of any such utilities to the Premises unless due to Landlord's gross negligence.

ARTICLE 6—INDEMNIFICATION AND INSURANCE AND WAIVER

6.1 Indemnification.

(a) Generally. Landlord shall not be liable for the loss of or damage to any property (including property of Tenant and others) occurring in or about the Premises from any cause whatsoever, except and to the extent such loss or damage is caused by Landlord's gross negligence and willful misconduct. Landlord shall not be liable for injury to any person occurring in or about the Premises, except and to the extent that such injury is caused by Landlord's gross negligence or willful misconduct. Except to the extent an injury to any person is caused by Landlord's gross negligence or willful misconduct, Tenant shall defend, indemnify, and hold Landlord and Landlord's Property Manager and each of their respective direct and indirect managers, members, partners, officers, directors, employees and agents harmless from and against any and all claims, charges, liabilities, obligations, penalties, damages, costs, and expenses (including attorneys' fees) arising, claimed, charged or incurred against, or suffered, directly or indirectly, by Landlord from any matter or thing arising from Tenant's use (or use by Tenant's officers, directors, employees, agents, contractors, invitees, licensees or subtenants) of the



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Premises, the conduct of its business on the Premises or from any activity, work or other things done or permitted by Tenant in or about the Premises and Tenant shall further defend, indemnify and hold Landlord's Indemnitees harmless from and against any and all claims arising, directly or indirectly, from any breach or default in the performance of any obligation of or to be performed by Tenant under the terms of this Lease arising from any act or omission of Tenant, or any officer, director, agent, employee, contractor, invitee, or subtenant of Tenant, and from all costs, attorneys' fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought thereon. If any action or proceeding is brought against any of Landlord's Indemnitees by reason of such a claim, Tenant, upon notice from such Landlord's Indemnitee(s), shall defend the same at Tenant's expense by legal counsel reasonably satisfactory to such Landlord's Indemnitee(s).

(b) Concurrent Negligence of Landlord and Tenant Relating to Landlord's Construction, Repair, and Maintenance Activities. Notwithstanding Section 6.1(a) above, in the event of the concurrent negligence of Tenant or its officers, directors, agents, employees, subtenants, invitees, licensees or contractors on the one hand, and that of Landlord or its managers, members, agents, employees or contractors on the other hand, which concurrent negligence results in injury or damage to persons or property and relates to Landlord's construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of the Premises, Tenant's obligation to indemnify Landlord's Indemnitees as set forth in this Section 6.1 shall be limited to the extent of Tenant's negligence, and that of its agents, employees, subtenants, invitees, licensees or contractors, including Tenant's proportional share of costs, attorneys' fees and expenses incurred in connection with any claim, action, or proceeding brought with respect to such injury or damage.

(c) Waiver of Workers' Compensation Immunity. The indemnification obligations contained in this Lease shall not be limited by any workers' compensation, benefits or disability laws, and both parties hereby waive any immunity that either may have under the Industrial Insurance Act, Title 51 RCW, and similar workers' compensation, benefit, or disability laws.

(d) Landlord Indemnity. Landlord shall defend, indemnify, and hold Tenant and Tenant's officers, employees and agents harmless from and against any and all claims, charges, liabilities, obligations, penalties, damages, costs, and expenses (including attorneys' fees) arising, claimed, charged or incurred against, or suffered, directly or indirectly, by Tenant from any activity, work or other things done or permitted by Landlord in or about the Premises. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability, or expense resulting from injuries to third parties caused by negligence of Tenant or its officers, directors, agents, employees, contractors, invitees, licensees or subtenants.

6.2 Tenant's Insurance. At all times during the term, Tenant, and its Subtenants, and Operators (with the exception of 6.2 b) at its own expense, shall maintain insurance or a program of self-insurance providing the following coverages or equivalent:

(a) general liability insurance for claims for bodily injury or death and property damage with combined single limits of not less than \$3,000,000.00 per occurrence;

(b) insurance coverage on a broad form basis insuring against "all risks of direct physical loss" (including without limitation earthquake and flood) on all of Tenant's personal property located in the Premises in an amount not less than their full replacement value; and

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(c) worker's compensation insurance insuring against and satisfying Tenant's obligations and liabilities under the worker's compensation laws of the State of Washington.

On or before the Acceptance Date, and annually thereafter, Tenant and its Subtenants, and/or operators shall provide Landlord with a certificate of insurance evidencing the foregoing coverage. Each such policy shall name Landlord as an additional insured, and shall provide that it will not be terminated or substantially amended during the Term to affect the coverage required except after thirty (30) days' prior notice thereof to Landlord. Upon Landlord's request, Tenant and its Subtenants and operators shall furnish to Landlord certificates of insurance evidencing Landlord as an additional insured.

6.3 Landlord's Insurance. At all times during the Term, Landlord will carry and maintain fire and extended coverage property insurance covering Premises in amounts not less than their full replacement cost. Landlord shall also carry commercial general liability insurance with combined single limits of not less than \$3,000,000.00 per occurrence.

6.4 Waiver of Subrogation. Landlord and Tenant each waives any and all rights to recover against the other, or against the officers, directors, shareholders, partners, joint ventures, employees, agents, customers, invitees or business visitors of such other party, for any loss or damage to such waiving party arising from any cause covered by any property insurance required to be carried pursuant to this section or any other property insurance actually carried by such party. Landlord and Tenant, from time to time, will cause their respective insurers to issue appropriate waiver of subrogation rights endorsements to all property insurance policies carried in connection with the Premises.

6.5 Acts of Others. Neither party shall be responsible or liable to the other (or to those claiming by, through or under either party) for any loss or damage that may be occasioned by or through the acts or omissions of third parties or persons occupying space adjoining the Premises. In addition, Landlord shall not be responsible or liable to Tenant for any loss or damage resulting to Tenant (or those claiming by, through or under Tenant) or any of its property, from fire; explosion; falling plaster; the breaking, bursting, stoppage or leaking of water; gas, sewer, electrical cables, wires or steam pipes; or from water, rain or other substances leaking or coming from the roof, street, subsurface or from any other place or from dampness or from any similar risks or causes except and to the extent such loss or damage is caused by Landlord's negligence. Landlord shall not be liable for any loss or damage to any person or property sustained by Tenant or any other persons that may be caused by theft or by any act or neglect of any other third parties.

ARTICLE 7--COMPLIANCE WITH ENVIRONMENTAL LAWS

7.1 Landlord's Obligations

(a) Landlord hereby represents and warrants to Tenant that, to the best of Landlord's knowledge:

- exception of:
- (1) the Premises are not contaminated by any Hazardous Materials with the
 - i. an abandoned underground storage tank located in the alley behind the southwest portion of the building
 - ii. lead based paint on the face of the brick.

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- (2) no portion of the Premises is being used for the treatment, storage, or disposal of any Hazardous Materials;
- (3) no Hazardous Materials are being used, generated, or disposed of on the Premises except in compliance with applicable environmental laws;
- (4) the Premises are not on any governmental list of contaminated properties, nor is any investigation, administrative order or notice, consent order, or agreement for litigation in existence or anticipated with respect to the Premises.

(b) Landlord covenants that, during the Term of this Lease, it will not cause or permit the treatment, storage, or disposal of any Hazardous Materials in or on any part of the Premises by Landlord, its agents, employees, or contractors, and it will not knowingly permit the introduction of other Hazardous Materials to the Premises.

(c) Notwithstanding any other provision of this Lease, Tenant shall not be responsible for the remediation or indemnification in relation to Hazardous Materials which were present in, on, or under, the Premises prior to the Lease Commencement Date, or which have migrated onto, or under, the Premises from adjacent properties. Landlord represents and warrants that the Premises shall be delivered free and clear of all Hazardous Materials. Landlord, at Landlord's sole expense and with counsel reasonably acceptable to Tenant, shall indemnify, defend and hold harmless Tenant and Tenant's shareholders, directors, officers, employees, partners, affiliates, and agents with respect to any and all losses arising out of or resulting from any Hazardous Materials present in, on, or about the Premises prior to the Lease Commencement Date and/or the release of any Hazardous Materials in, on or about the Leased Premises by Landlord or Landlord's agents, contractors, or invitees, or the violation of any environmental law, by Landlord or Landlord's agents, contractors, or invitees. This indemnification shall survive the expiration or earlier termination of this Lease.

7.2 Tenant's Obligations.

(a) Tenant will not store, treat or dispose of any Hazardous Materials in, on, or about the Premises in violation of any environmental laws. Tenant will not permit the Premises to be used or operated in a manner that may cause the Premises or any part of the Premises to be contaminated by any Hazardous Materials.

(b) Tenant will be solely responsible for and will defend, indemnify, and hold Landlord, its officers, directors, agents and employees harmless from and against all claims, costs, and liabilities, including reasonable attorney fees and costs, arising out of Tenant's breach of its obligations in this section 7.2.

7.3 Mutual Obligations. Each party will promptly notify the other party of (i) any and all enforcement, cleanup, remedial, removal, or other governmental or enforcement cleanup or other governmental or regulatory actions instituted, completed or threatened pursuant to any environmental laws relating to any Hazardous Materials affecting any part of the Premises; and (ii) all claims made or threatened by any third party against Tenant, Landlord or any part of the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials on or about the Premises or any part of the Premises.

7.4 Definitions. As used herein, the term "Hazardous Material" means any hazardous,



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dangerous, toxic or harmful substance, material or waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government.

ARTICLE 8-Intentionally Omitted

ARTICLE 9--REPAIRS AND MAINTENANCE

9.1 Tenant's Maintenance and Repair Obligations. With the exception of normal "wear and tear", and except as set forth in Section 3.2, above and Section 9.2, below, Tenant will, at its sole cost and expense, maintain the Premises and make non-Capital Repairs, restorations, and replacements to the Premises, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, and plumbing systems, interior walls, and the fixtures and appurtenances to the Premises as and when needed to preserve them in good working order and condition.

9.2 Capital Repairs, Replacements or Improvements. If any Capital Repairs are required to be made to the Premises after the date hereof, the cost of the Capital Repairs (the "Capital Cost") will be a capital expenditure initially paid for and performed by Landlord or its contractors (subject to reimbursement, as hereinafter more particularly set forth). Tenant shall be obligated to pay each month, during the remainder of the Term of this Lease (including any options to extend the Term), its allocated share of the costs of the Capital Cost ("Tenant's Monthly Allocation"). Tenant's Monthly Allocation shall be the quotient resulting from dividing the Capital Cost by the useful life (expressed in number of months) of the Capital Repair, as such useful life is specified pursuant to Federal income tax regulations or guidelines for depreciation thereof. Tenant's Monthly Allocation shall be paid until the earlier of (i) the Term of this Lease (including any renewals and/or any Holdover) expires or (ii) the Capital Cost has been fully reimbursed. A "Capital Repair" shall mean any repair or improvement (including roof replacement) which under standard accounting practices is considered a "capital" improvement and is amortized over a given life for such item, which life may exceed the remaining Term of the Lease. All repairs, restorations, and replacements will be in quality and class equal to the original work or installations.

9.3 Landlord's Representations. Landlord represents and warrants that, as of the Lease Commencement Date, the heating, ventilating, air conditioning, roll door, mechanical, fire sprinkler, HVAC, electrical, and plumbing systems provided in the Premises are in good working order and condition. In addition, Landlord shall deliver the Premises to Tenant clean and free of debris, asbestos, asbestos-containing products, or toxic substances. If a non-compliance with said warranty exists as of the Rent Commencement Date, then, except as otherwise provided in this Lease, Landlord shall promptly, after receipt of written notice from Tenant setting forth with specificity the nature and extent of such non-compliance, rectify same at Landlord's expense.

9.4 Alterations. During the Lease Term, Tenant shall have the right, at its own cost and expense, and sole responsibility (except as otherwise specifically set forth in this Lease) to make alterations, installations and changes in, on and to the interior of the Building (hereinafter collectively called "Alterations") as it shall deem expedient or necessary for its business purposes without Landlord's prior written consent if such Alterations will not adversely affect the structural integrity of the Premises or pierce the roof membrane or floor slab or affect the mechanical, electrical or plumbing systems ("Non-Structural Alterations"). (All other alterations, installations and changes in, on and to the interior of the Buildings are hereinafter collectively called "Structural Alterations"). Tenant may not make any



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Structural Alterations unless it has first obtained Landlord's written consent thereto and to the contractor undertaking such Structural Alterations, which consent Landlord may withhold in its sole and absolute discretion by giving notice thereof to Tenant within ten (10) days following Landlord's receipt of a written request for consent that includes copies of construction plans for the proposed Structural Alterations. Tenant shall notify Landlord prior to beginning any construction.

At any time prior to the expiration of the Lease Term, Tenant may remove from the Premises any or all interior and Non-Structural Alterations and any of Tenant's signage (whether or not interior or non-structural), provided that any damage caused by such removal shall be promptly repaired by Tenant.

Not later than the date of any surrender, expiration or termination of this Lease, Tenant (a) may remove all interior and Non-Structural Alterations and (b) shall remove or leave in place any and all Structural Alterations in accordance with Landlord's direction, made within thirty (30) days following Landlord's receipt of Tenant's initial written notice of such planned Structural Alterations (if Landlord has given no direction as to any particular Structural Alterations within said 30-day period, Tenant shall be deemed to have the option to remove or leave any particular Structural Alterations). Tenant shall promptly repair any damage caused by such removal and, until Tenant gives Landlord written notice that such removal and repair of any damage is completed, Tenant shall be deemed to be remaining in possession of the Premises after the expiration of the Lease Term without Landlord's written consent and holding over. If such removal and repair is not fully completed by the date of any surrender, expiration or termination of this Lease, Landlord shall be entitled to complete it at Tenant's expense, in an amount not in excess of the reasonable cost of completing such removal and repair.

9.5 Tenant's Contractor Liens and Insurance. Tenant shall not (a) create or place any lien or encumbrance on the interest of Landlord or Tenant in the Premises or (b) charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs. Tenant shall (x) timely pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises by or on behalf of Tenant and (y) save and hold Landlord harmless from all loss, cost or expense based on or arising out of asserted claims or liens against the leasehold estate or against the interest of Landlord in the Premises or under this Lease arising from any work performed by or on behalf of Tenant. Tenant shall give Landlord prompt written notice of the placing of any lien or encumbrance against the Premises and cause such lien or encumbrance to be discharged within 30 days of the filing or recording thereof or, at its election shall contest such liens or encumbrances as long as such contest prevents foreclosure of the lien or encumbrance and Tenant causes such lien or encumbrance to be bonded or insured over in a manner reasonably satisfactory to Landlord within such 30 day period. Additionally, Tenant shall require all Contractors performing work on the Premise to adhere to the Insurance requirements outlined in Article 6.1 and name the Landlord as additional insured.

ARTICLE 10--END OF TERM

10.1 End of Term. At the end of the Term (or, as may be the case, the end of the Renewal Term), Tenant will promptly quit and surrender the Premises in good order and repair, ordinary wear and tear and casualty excepted. Tenant will remove all of Tenant's furniture, trade fixtures, signage, equipment, other personal property, and wiring. Tenant's obligations under this Article will survive the expiration or other termination of this Lease.

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10.2 Holdover. If Tenant remains in possession of the Premises after the expiration of the tenancy created hereunder without the written consent of Landlord and without execution of a new lease, Tenant shall be deemed to occupy the Premises under a month-to month tenancy, terminable at will by Landlord and subject to all provisions hereof (other than those relating to Lease Term), except that Base Rent for each month of holdover period shall be equivalent to 125% of the last monthly Base Rent due under this Lease.

ARTICLE 11--DEFAULT

11.1 Events of Default. The occurrence of any one of the following events shall constitute an "Event of Default" hereunder by Tenant:

(a) The failure by Tenant to make any payment required to be made by Tenant hereunder within ten (10) days after written notice from Landlord of such failure.

(b) Unless otherwise specifically noted in this Lease, the failure by Tenant to observe or perform any of the covenants or other provisions of this Lease to be observed or performed by Tenant, where such failure continues for a period of thirty (30) days upon written notice thereof from Landlord to Tenant after such failure; provided that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(c) The making by Tenant of any general assignment or general arrangement for the benefit of creditors, or by the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days of filing), or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days after appointment of said trustee or receiver, or the filing of a petition for the appointment of the same, whichever shall first occur.

(d) Tenant's failure to perform or observe any of Tenant's obligations under the Lease after Tenant has failed to perform or observe any of Tenant's obligations under the Lease at least twice previously (despite the fact Tenant may have cured any such previous failures after notice from Landlord and within the notice period).

11.2 Remedies of Landlord.

(a) On the occurrence of an Event of Default, Landlord shall have the following rights:

(1) To terminate this Lease by any lawful means including the giving of written notice to Tenant, in which case Tenant's right to possession of the Premises will cease and Tenant shall immediately surrender possession of the Premises to Landlord. Landlord may lawfully reenter and take possession of the Premises, expel Tenant and remove the effects of Tenant, using such force for such purposes as may be reasonably necessary, without being liable for prosecution, and without prejudice to any remedies for arrears of Rent or other amounts payable under this Lease. In the event of such termination, Landlord shall be entitled to recover from Tenant (i) all past due Rents and other charges for which Tenant is liable to pay under this Lease; (ii) the reasonable expenses of re-letting the Premises,

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including without limitation, reasonably necessary refurbishment of the Premises and reasonable attorneys' fees; (iii) the worth at the time of award of the amount by which the unpaid rent and other charges called for in this Lease for the balance of the Lease Term (or the Renewal Term, as the case may be) after the time of such award exceeds the amount of such loss for the same period that Tenant proves could be reasonably avoided; and (iv) that portion of any leasing commission paid by Landlord and applicable to the unexpired Term of this Lease. Unpaid installments of Rent or other sums due under this section shall bear an interest from the due date at the rate of 12 % per annum but not higher than the highest lawful rate.

(2) To lawfully reenter and take possession of the Premises, expel Tenant and remove the effects of Tenant, using such force for such purposes as may be reasonably necessary, and without prejudice to any remedies for arrears of Rent or other amounts payable under this Lease. In such case, Landlord may, without being obligated to and without terminating the Lease, Re-let the Premises for the account of Tenant on such conditions and terms as Landlord may determine, and Landlord may collect and receive Rent. Tenant will pay to Landlord Rent, Additional Rent, and other sums as provided in this Lease that would be payable under this Lease if such repossession had not occurred, less the net proceeds, if any, of any reletting of the Premises after deducting all of Landlord's reasonable, direct, and actual expenses in connection with such reletting.

(3) To cure any event of default and to charge Tenant for the cost of effecting such cure, including without limitation reasonable attorney's fees and interest provided that Landlord will have no obligation to cure any such Event of Default of Tenant.

(b) Upon any Event of Default hereunder by Tenant, Landlord shall be required to use commercially reasonable efforts to mitigate its damages. Landlord shall not be obligated to enter into a lease with any proposed substitute tenant that does not have, in Landlord's reasonable judgment, sufficient financial resources to operate the Premises.

11.3 Landlord's Default. In the event of any default by Landlord in the performance of its obligations under this Lease, Tenant will deliver to Landlord written notice of such default.

(a) If Landlord fails to cure such default within five (5) business days after written notice of such default (the "Cure Period"), Tenant shall have the right, in its sole discretion, to exercise such self-help measures as may be reasonably necessary to cure Landlord's default. Any costs and expenses reasonably incurred by Tenant to cure such default shall be reimbursed by Landlord upon demand.

(b) If Landlord fails to cure any default within thirty (30) days after receipt of notice of such default, Tenant shall have the right to terminate this Lease, without penalty, upon notice to Landlord, such termination to be effective as of the termination date designated on Tenant's termination notice; provided, however, if the nature of Landlord's default is such that more than thirty (30) days are reasonably required for its cure, then Landlord shall not be deemed to be in default (and Tenant shall have no right to terminate this Lease) if Landlord commences such cure within said thirty (30)-day period and thereafter diligently prosecutes such cure to completion.

11.4 Remedies Not Exclusive. Each right and remedy provided for in this Lease is cumulative and is in addition to every other right or remedy provided for in this Lease or at law or in equity. Either party's exercise of any rights or remedies due to a default or breach by the other shall not be deemed a waiver of or to alter, affect or prejudice any rights or remedies that the non-breaching party may have under this Lease, law or in equity. Neither the acceptance of Rent nor any other acts or omissions of

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Landlord at any time(s) after the happening of any event authorizing cancellation or forfeiture of this Lease shall (a) operate as a waiver of any of Tenant's past or future violation, breach or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive Landlord of its right to cancel or forfeit this Lease upon the written notice provided for herein at any time that cause for cancellation or forfeiture may exist, or (b) be construed so as to stop Landlord from promptly exercising any other option, right or remedy that it may have under any term or provision of this Lease, at law, or in equity.

11.5 Acceptance of Payment. Landlord's acceptance of any sum (whether as Rent, Additional Rent, or otherwise) that is less than the amount claimed as due by Landlord shall not act as, or be deemed to be, a waiver of such claimed amount as a compromise or accord and satisfaction of the amount that Landlord claimed is due.

ARTICLE 12--OPTION TO RENEW – SEE EXHIBIT C

ARTICLE 13--GENERAL

13.1 Condemnation. If the Premises are taken by exercise of the power of eminent domain (or conveyed by Landlord in lieu of such exercise), then this Lease will terminate on a date (the "Termination Date") which is the earlier of the date upon which the condemning authority takes possession of the Premises or the date on which title to the Premises is vested in the condemning authority. Tenant shall be due any and all award allocated to Tenant by condemning authority.

13.2 Assignment and Subletting.

(a) Tenant shall not assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, nor sublet the whole or any part of the Premises, nor shall this Lease or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise, without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned, or delayed. Any such transaction undertaken without Landlord's prior written consent shall be null and void. In determining whether to grant consent to Tenant's assignment or transfer request, Landlord may consider any factor, including but not limited to the following: the experience and business reputation of the proposed assignee or transferee in operating a business for the uses set forth in the Lease; whether the proposed assignee or transferee has a net worth, and financial strength and credit record, satisfactory to Landlord; whether use of the Lease Premises by the proposed assignee or transferee will violate or create any potential violation of (a) any laws or (b) permitted uses as outlined in Article 1.1 and 2 of the Lease; and whether the quality of the business to be operated by the proposed assignee or transferee is reasonably satisfactory to Landlord.

(b) No assignment or other transfer shall relieve Tenant of any liability under this Lease. The acceptance by Landlord of any amounts of money as rent or otherwise following any transaction prohibited hereunder shall not be deemed to be a consent by Landlord nor shall the same be deemed to be a waiver of any right or remedy of Landlord hereunder. Consent to any such assignment or other transfer shall not operate as a waiver of the necessity for consent to any subsequent assignment or transfer. In connection with any assignment or transfer, Tenant shall promptly provide Landlord with fully executed copies of all assignment, sublease, transfer, and assumption instruments.

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(c) As a condition to Landlord's consent, any potential assignee or transferee otherwise approved by Landlord shall expressly assume all existing and future obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant for the payment of Rent, Adjustments, other charges, and the performance of all terms, covenants, and conditions of this Lease.

(d) Tenant and any assignee, subtenant or transferee shall reimburse Landlord for Landlord's reasonable attorneys' fees and costs incurred in conjunction with the processing and documentation of any such requested transfer, assignment, subleasing or encumbrance, up to a maximum amount of \$2,500.00.

(e) Assignment by Landlord. If Landlord sells or otherwise transfers the Premises, or if the Landlord assigns its interest in this Lease, and such purchaser, transferee, or assignee thereof assumes Landlord's obligation hereunder arising thereafter, then Landlord shall thereupon be relieved of all liabilities hereunder arising thereafter but this Lease shall otherwise remain in full force and effect.

13.3 Intentionally Omitted

13.4 Notices. Any notice or other communication required or permitted under this Lease must be in writing and shall be (a) personally delivered, or (b) mailed via certified or registered mail, return receipt requested, postage prepaid, or (c) shipped via express courier service for "next day" delivery. Such notices shall be addressed as follows:

IF TO LANDLORD

2235 Fifth Avenue LLC
Attn: Brad Merlino
9125 10th Avenue South
Seattle, Washington 98108

IF TO TENANT

Seattle Parks and Recreation
Attn: Property Management
800 Maynard Ave. S.
Seattle, WA 98134

Notice shall be deemed to have been given (a) upon actual receipt, if personally delivered or (b) three calendar days following deposit in the mail, if mailed via certified or registered mail, or (c) one business day following shipment, if shipped via express courier service for "next day" delivery. The parties shall promptly give written notice to each other of any change of address and mailing or shipment to the addresses stated herein shall be deemed sufficient unless written notification of a change of address has been received. Either Landlord or Tenant may add additional addresses or change its address for purposes of receipt of any such communication by giving ten (10) days' prior written notice of such change to the other party in the manner prescribed in this section.

13.5 Brokers' Commissions. Tenant represents and warrants that it has incurred no liabilities or claims for brokerage commissions or finder's fees in connection with the execution of this Lease and that it has not dealt with or has any knowledge of any real estate broker, agent or salesperson in connection with this Lease except: Maria Royer of RST, LLC, a Washington limited liability company, as the Landlord's Broker, and Derek Hermesen, of Flinn Ferguson as the Tenant's Broker. With the exceptions of the Landlord's Broker and Tenant's Broker, the parties agree to indemnify and hold each other harmless from all such liabilities or claims (including, without limitation, attorney's fees) for any other broker fees.

13.6 Signs. Provided Tenant obtains Landlord's prior written consent (which shall not be

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unreasonably withheld, conditioned or delayed), Tenant shall be entitled to install, in compliance with all Applicable Laws, signage on the exterior of the Premises containing Tenant's name, logo, and other pertinent business information. Notwithstanding the foregoing, Landlord reserves the right to install a "For Lease" sign during the last six (6) months of the Term and Renewal Terms of this Lease and during any holdover period.

13.7 Subordination and Nondisturbance. This Lease and Tenant's rights under this Lease are subject and subordinate to any mortgage or deed of trust (each, a "Superior Lien"), together with any renewals, extensions, modifications, consolidations and replacements of such Superior Lien, now or after the date of this Lease affecting or placed, charged or enforced against the Premises or any interest of Landlord in the Premises or Landlord's interest in this Lease and the leasehold estate created by this Lease (except to the extent any such instrument will expressly provide that this Lease is superior to such instrument). Notwithstanding the foregoing, such subordination shall not be effective unless the holder of such Superior Lien shall deliver to Tenant a written agreement reasonably satisfactory to Tenant that Tenant's rights under this Lease shall not be disturbed by such holder so long as Tenant has paid all amounts then owing and is otherwise not in default under this Lease. Tenant will execute, acknowledge and deliver to Landlord within twenty (20) days after written demand by Landlord such documents as may be reasonably requested by Landlord or the holder of any Superior Lien to confirm or effect any such subordination, priority, or nondisturbance, provided that any such subordination agreement contains a nondisturbance agreement as set forth above.

13.8 Governing Law. This Lease will be governed by the internal laws of the state in which the Premises are located, without reference to its conflict of laws provisions.

13.9 Binding Effect. This Lease will bind and inure to the benefit of Landlord and Tenant and their respective successors, heirs, administrators and assigns, except as otherwise provided in this Lease.

13.10 Disputes. In the event of a dispute regarding this Lease, the Parties agree to follow the procedures in this Section 13.10 prior to commencing any other legal process. The Parties shall make their best efforts to resolve disputes as expeditiously as possible through negotiations at the lowest possible decision-making level and in the event such negotiations are unsuccessful, the matter shall be referred to Tenant's representative and Landlord's representative. If those officials are unable to resolve the dispute within a period of fifteen (15) days after the matter has been formally referred to them for resolution, they shall meet during the immediately succeeding seven (7) days to select a mediator to assist in the resolution of such dispute. The Parties agree to participate in mediation with the agreed upon mediator for a reasonable amount of time and in good faith. The cost of the mediation shall be shared equally between the Parties.

Any dispute under this Lease that cannot be resolved by mediation shall be settled and finally determined by arbitration before an arbitrator of JAMS/Endispute in Seattle, Washington in accordance with the Superior Court Mandatory Arbitration Rules (MAR) then in effect in the State of Washington, as the same may be amended or superseded from time to time. If the parties are unable to agree upon a JAMS/Endispute arbitrator, then each party shall take turns striking from the list of all of the JAMS/Endispute arbitrators (with the party initiating the arbitration proceeding taking the first turn) until only one arbitrator is left, who shall be the arbitrator for the dispute. If, at the time the arbitration is to be initiated, JAMS/Endispute is no longer in existence, then (a) the parties shall either (i) agree upon a similar arbitration service located in Seattle, Washington or (ii) seek to have the King County Superior Court Presiding Judge select a similar arbitration service if the parties are unable to agree upon one and (b) the particular arbitrator shall be selected in the same manner as set forth in the immediately preceding sentence. The arbitrator is hereby specifically empowered to grant both monetary and equitable relief to

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either one or both of the parties consistent with this Agreement. The judgment upon the award rendered in any such arbitration shall be final and binding upon the parties and may be entered in King County Superior Court. Attorneys' fees and costs of expert witnesses shall be awarded to the prevailing party by the arbitrator and shall likewise be awarded if incurred to enforce the award in King County Superior Court or on appeal therefrom.

13.11 Authority. Each of the parties executing this Lease on behalf of the Tenant or the Landlord represents to the other party that such party is authorized to do so by requisite action of the party to this Lease.

13.12 Time of the Essence. Time is of the essence for the performance of all obligations under this Lease.

13.13 Quiet Enjoyment. Provided that Tenant timely pays Rent and timely performs all of the other covenants and conditions of this Lease to be performed by the Tenant hereunder, Tenant shall be entitled to the quiet enjoyment and possession of the Premises without hindrance, disturbance, or molestation by Landlord, its agents, or other tenants, subject to the terms and conditions of this Lease.

13.14 Gender. Masculine or feminine pronouns may be substituted for each other or for the neuter form or vice versa, and the plural may be substituted for the singular or vice versa in any place or places herein where the contract requires such substitutions.

13.15 Prior Agreements. It is understood that there are no oral or written agreements or representations between Landlord and Tenant affecting this Lease and that this Lease supersedes and cancels any and all previous negotiations, arrangements, representations, brochures, displays, projections, estimates, agreements and understandings, if any, made by or between Landlord and Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret, construe, supplement or contradict this Lease. This Lease (including its attached exhibits) and any and all mutually-executed, written amendments thereto are and shall be considered to be the only agreement between Landlord and Tenant.

13.16 Reconstruction—Insured Loss. In the event that the Premises are damaged by fire or other perils covered by the Landlord's insurance, Landlord agrees to forthwith repair the same, and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate reduction of the Monthly Rent from the date of damage and while such repairs are being made, such proportionate reduction to be based upon the extent to which the damage and making of such repairs shall reasonably interfere with the business carried on by Tenant in the Premises; provided, that if the damage is due to the gross negligence or willful misconduct of Tenant or its employees, there shall be no abatement of rent. Tenant shall be responsible at its sole cost and expense for repairing or replacing any of Tenant's fixtures, equipment and leasehold improvements that are damaged or destroyed by the insured cause.

13.17 Uninsured Loss. In the event that the Premises are damaged as a result of any cause other than the perils covered by the Landlord's insurance, then Landlord shall (except where the damage or destruction is caused by negligence of Tenant, its employees, agents, contractors, licensees or invitees in which case Tenant shall repair all damage) forthwith repair the same, provided the extent of the destruction is less than ten percent (10%) of the then full replacement cost of the Premises. In the event the destruction of the Premises is to an extent of ten percent (10%) or more of the full replacement cost, Landlord shall have the option to: (1) repair or restore such damage, this Lease continuing in full force

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and effect, but the Monthly Rent to be proportionately reduced as provided in Section 13.16; or (2) give notice to Tenant at any time within sixty (60) days after such damage, terminating this Lease as of the date specified in such notice, which date shall be no more than thirty (30) days after the giving of such notice. In the event Landlord elects to terminate this Lease, Tenant shall have the right within ten (10) days after receipt of the termination notice to give written notice to Landlord of Tenant's commitment to pay for the repair of such damage without reimbursement from Landlord. Tenant shall provide Landlord with said funds or satisfactory assurance thereof within thirty (30) days after making such commitment. In such event this Lease shall continue in full force and effect, and Landlord shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Tenant does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice and the Monthly Rent for the period between the date of the damage or destruction and the date of that notice of termination shall be reduced proportionately, based upon the extent, if any, to which such damage substantially interfered with the business carried on by the Tenant in the Premises. Tenant shall at its sole cost and expense, repair and restore any of the Tenant's fixture equipment and leasehold improvements which are damaged or destroyed by the uninsured cause if the Premises are restored.

13.18 Damage Near End of Term. If at any time during (a) the last six (6) months of this Lease or (b) the Redevelopment Period, there is damage for which the time to rebuild or repair exceeds one hundred twenty (120) days, Landlord or Tenant may terminate this Lease effective sixty (60) days following the date of occurrence by giving a written termination to Lessee within thirty (30) days after the date of occurrence of such damage. Notwithstanding the foregoing, if Tenant at that time has an exercisable option to extend this Lease, the Tenant may preserve this Lease by exercising such option within ten (10) days after Tenant's receipt of Landlord's written notice purporting to terminate this Lease. If Tenant duly exercises such option during such period, then Landlord shall repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Tenant fails to exercise such option, the Monthly Rent for the period between the date of the damage or destruction and the date of termination shall be reduced proportionately, based upon the extent, if any, to which such damage substantially interfered with the business carried on by the Tenant in the Premises, and Tenant's option shall be extinguished.

13.19 Estoppel Certificates. At any time and from time to time but within twenty (20) days after prior written request by either Tenant or Landlord, the other party will execute, acknowledge and deliver to the requesting party a certificate certifying (a) that this Lease is unmodified and in full force and effect or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification; (b) the date, if any, to which Rent and other sums payable under this Lease have been paid; (c) that no written notice of any default has been delivered by the certifying party, which default has not been cured, except as to defaults specified in said certificate; and (d) to the best of the certifying party's knowledge, there is no Event of Default under this Lease or an event which, with notice or the passage of time, or both, would result in an Event of Default under this Lease, except for defaults specified in said certificate. Any such certificate may be relied upon by any prospective purchaser, lease assignee, or sublessee, or existing or prospective mortgagee or beneficiary under any deed of trust of the Premises. If the requested party fails to deliver such a certificate within such time, the statements contained in such certificate will conclusively be deemed made and admitted by the requested party.

13.20 Severability. If any provision of this Lease proves to be illegal, invalid or unenforceable, the remainder of this Lease will not be affected by such finding, and in lieu of each provision of this Lease that is illegal, invalid or unenforceable, a provision will be added as a part of this Lease as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and

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enforceable.

13.21 Captions. The captions of the various Articles and Sections of this Lease are for convenience only and do not necessarily define, limit, describe or construe the contents of such Articles or Sections.

13.22 Applicable Law; Venue. This Lease shall be construed under the laws of the State of Washington. Venue for any action brought hereunder shall be in the Superior Court for King County, Washington.

Landlord and Tenant have executed this Lease effective as of the day and year first above written.

LANDLORD:

2235 FIFTH AVENUE LLC.,
a Washington limited liability company

TENANT:

CITY OF SEATTLE,
a Municipal Corporation

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By: _____
Gary M. Merlino, Managing Member

By: _____
Christopher Williams, Acting
Superintendent

Date: _____

Date: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that GARY M. MERLINO is the person who appeared before me and acknowledged that he signed the instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Managing Member of 2235 FIFTH AVENUE LLC., a



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Washington limited liability company, to be the free and voluntary act of such corporation for the uses and purposes mentioned in the instrument.

Dated: _____

Signature

Name (Print)

Title

My Appointment Expires

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and acknowledged that he signed the instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of _____, a _____ entity, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

Dated: _____

Signature

Name (Print)

Title

My Appointment Expires

EXHIBIT A

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Legal Description of the Parcel of Land that the Premises Lies Upon

LOT 7 IN BLOCK K OF BELL'S 5TH ADDITION TO THE CITY OF SEATTLE, ACCORDING TO PLAT RECORDED IN VOLUME 1 OF PLATS AT PAGE 191, IN KING COUNTY WASHINGTON.

EXCEPT THE EASTERLY 12 FEET THEREOF CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 52280 FOR WIDENIGN 5TH AVENUE, AS PROVIDED UNDER ORDINANCE NO. 13776 OF THE CITY OF SEATTLE.

ALSO, EXCEPT THAT PORTION THEREOF CONDEMNED FOR MONROAL SYSTEM IN KING COUNTY SUPERIOR COURT CASUE NO. 642136, AS PROVIED UNDER ORDINANCE NO. 93917.

EXHIBIT B

Tenants Design Program

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EXHIBIT C



Option to Renew

Tenant is granted the option to extend the term of this Lease beyond the expiration of the initial term for sixty (60) months on all the provisions contained in the Lease except for the Base Rent. The conditions which must be met for Tenant to exercise its right are as follows:

- (a) Tenant shall not be in default on the date of notice;
- (b) Tenant has fully and faithfully performed all of the covenants, conditions and terms of this Lease at all times;
- (c) Tenant shall deliver to Landlord written notice ("Election Notice") of Tenant's election to exercise the option to extend at least six (6) months but not more than nine (9) months before the Expiration Date

If Tenant fails to satisfy or comply with any or all of the above conditions, then the option to extend shall be void and of no force of effect. If Tenant satisfies and complies with all of such conditions and elects to exercise the option to extend, the minimum rent shall be adjusted to Fair Market Rent for comparable buildings in the Seattle-Belltown area. Upon the Tenant exercising its option to renew, the parties will use good faith efforts to reach an agreement on what constitutes Fair Market Rent for the Extended Term. In no case shall the Fair Market Rent for the Extended Term be less than minimum rent for the last year of the Lease Term. If the parties are unable to agree upon Fair Market Rent after a thirty- (30) day period within which the parties shall attempt to negotiate such rent, the parties agree to submit the matter to binding arbitration with a single arbitrator in accordance with Washington law; PROVIDED, HOWEVER, that the difference in Landlord's determination of Fair Market Rent and that of Tenant's determination of market rent must vary more than five percent (5%) for any arbitration to apply. (If the difference is five percent (5%) or less, then the difference shall be split in half.) The arbitrator shall be a licensed real estate broker who has been active over the previous five (5) year period in the leasing of office spaces. If Landlord and Tenant are unable to agree on the arbitrator within ten (10) days after the election of the parties to determine Fair Market Rent by arbitration, each shall select a broker who shall be qualified under the same criteria set forth above, and so notify the other party in writing within ten (10) days after the end of such ten (10) day period. The two brokers so chosen by the parties shall then appoint the arbitrator within ten (10) days after the date of the appointment of the last appointed broker. If the two brokers so chosen by the parties are unable to agree on the arbitrator within such ten (10) day period, the arbitrator will be appointed by the director (or the equivalent) of the Seattle Office of the American Arbitration Association upon the application of either party. If either party fails to timely select its broker and so notify the other party in writing within the foregoing ten (10) day period, and the other party timely selects its broker, then the broker selected by the other party shall be the arbitrator for determining Fair Market Rent. Within thirty (30) days after the selection of the arbitrator, the arbitrator shall determine Fair Market Rent by selecting either the Fair Market Rent stated in Landlord's submission to the arbitrator or the Fair Market Rent stated in Tenant's submission. The arbitrator shall have no power to average such amounts or to designate a Fair Market Rent other than that specified in either Landlord's submission or Tenant's submission. Both parties may submit any information to the arbitrator for his or her consideration, with copies to the other party. The arbitrator shall have the right to consult experts and competent authorities for factual information or evidence pertaining to the determination of Fair Market Rent. The arbitrator shall render his or her decision by written notice to each party. The determination of the arbitrator will be final and binding upon Landlord and Tenant.



Terry Dunning
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August 25, 2011



City of Seattle

Michael McGinn, Mayor

Seattle Department of Parks and Recreation
Christopher Williams, Acting Superintendent

August 12, 2011

2235 Fifth Avenue LLC
Attn: Brad Merlino
9125 10th Avenue South
Seattle, WA 98108

SUBJECT: Supplement to Work Letter – Exhibit B to lease

Dear Mr. Merlino,

After thorough review of the work letter and estimates produced by Denny Braun on behalf of Fifth Avenue LLC and the City's Design Program for the Belltown Community Center, it is clear that the City's tenant improvement budget (\$700,000) is not sufficient to construct all of the items suggested in those documents. The City is prepared, however to proceed with the lease under the following conditions:

1. The parties will revise the proposed scope of work to install tenant improvements with a value of no greater than \$700,000 unless such sum shall be augmented by funds currently unidentified.
2. The City will accept all the terms and conditions of the lease as they presently exist including but not limited to, the commencement date, notwithstanding that the space may not be suitable for occupancy upon completion of the agreed work.
3. In the event additional funds are identified prior to the effective date of the lease, landlord agrees to supplement the scope and construct the improvements in a fashion mutually agreeable to the parties.

If these revised terms are acceptable, please sign and date in the space provided below. Please call me at 684-4860, if you have any questions.

Sincerely

Terrance Dunning
Major Transactions Manager

Accepted: _____ Date: _____

❖ Planning and Development Division ❖

800 Maynard Avenue S, 3rd Floor, Seattle, Washington 98134-1336

Tel: (206) 233-3872, TDD: 206-233-7061, Fax: (206) 233-3949

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DATE: March 1, 2011
TO: ProView
FROM: Susanne Rockwell, Project Planner
RE: Belltown Community Center Project
1999 Community Centers Levy
Project ID: K73484/K72654/WC48402

FINAL APPROVED DESIGN PROGRAM

Title:	Belltown Community Center Improvements
Location:	2235 5 th Ave
Scope:	The 1999 Community Center Levy provided \$1.89 million for a new community center for the Belltown community.
Schedule:	Planning: December 2010 – March 2011 Design: March 2011 – June 2011 Construction: April 2011 – December 2011
Budget:	\$1,890,000 for planning, design, construction and a 10 year lease
Source:	1999 Community Center Levy, Ord. #119520
Park Classification:	Community Center

DESIGN PROGRAM

I. PROJECT PURPOSE

Described within this design program are the scope, schedule and budget along with associated considerations and review requirements. These statements shape design and construction and provide specific direction to the designer and to those staff involved directly in design and construction management. The intent of this project is to lease a space in an existing building and renovate that space if necessary, to accommodate the community's needs for public meetings, classes and rentals.

A. SCOPE

The Belltown Community Center Improvement project is part of the 1999 Community Center Levy. The intent of this Project consists of a 6,000 to 7,000 new Community Center space that would serve as a civic focal point for this dense downtown neighborhood with rooms available for public meetings, classes and rentals.

B. BUDGET

The 1999 Community Center Levy provided \$1.89 million for a new community center for the Belltown neighborhood.

C. INTENT: GOALS AND POLICIES

1. Parks Strategic Action Plan
 - Goal 1 A. Enhance citywide planning for parks and open space
 - Goal 1 E. Develop and maintain partnerships to enhance Seattle's parks and open spaces
 - Goal 2 A. Encourage healthy and active lifestyles
 - Goal 2 D. Develop programs that build and support community



- Goal 2 F. Acquire and develop facilities to support community recreational needs
- Goal 2 G. Develop recreation management policies and evaluation criteria
- Goal 3 A. Establish and implement new approaches to outreach and relationship building
<http://seattle.gov/parks/Publications/ParksActionPlan.htm>

2. 2006 Development Plan

Distribution Guidelines for Community Center and & Indoor Pools: "Satellite facilities, or less than full-service facilities, will be considered to provide for community gathering places and to accommodate certain program activities, where conditions warrant. In order to control the number of new city facilities, programs may be provided in facilities owned by others in some cases."
<http://seattle.gov/parks/Publications/DevelopmentPlan.htm>

3. Parks Classification Policy

Belltown Community Center technically falls under the classification of "Community Park" because of the Community Center and its programming, however due to the size of this particular facility it also falls under the "Pocket Park" category.

Source: Seattle Parks and Recreation: Parks Classification Policy

4. Seattle Comprehensive Plan

Belltown Community Center location is designated as Downtown Mixed Residential/Commercial.

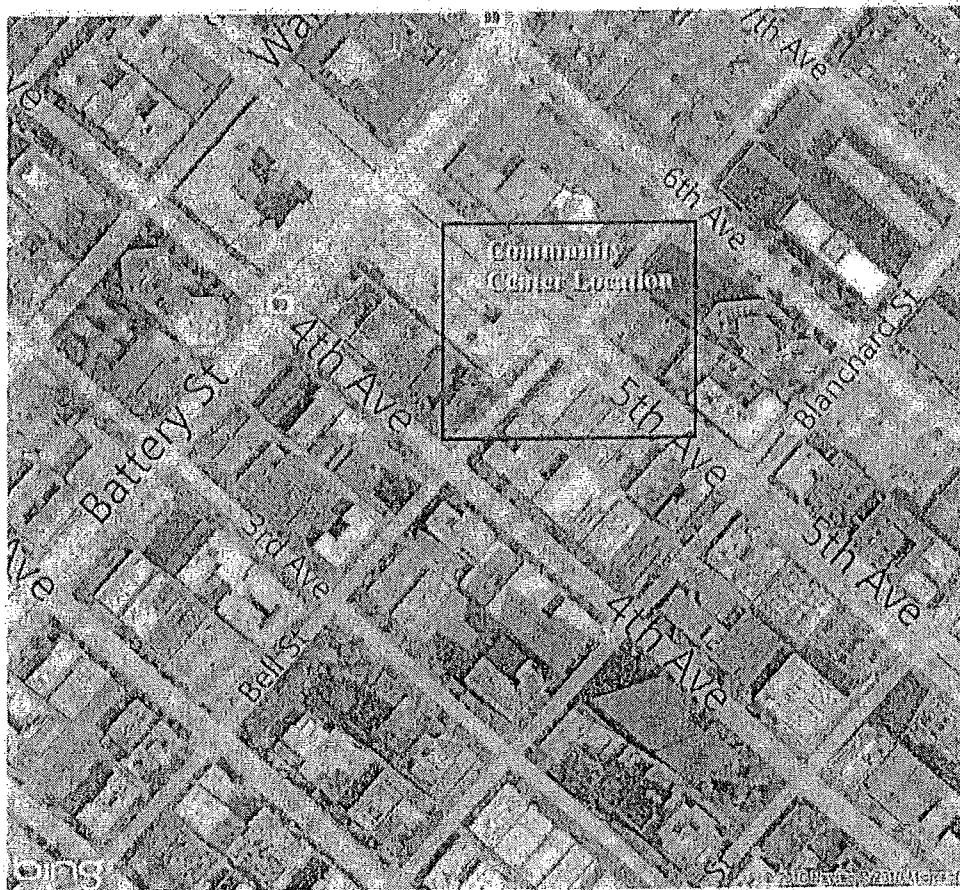
5. Neighborhood Plan

KS 2.2 - Obtain City funding to develop a program that identifies the appropriate facilities and services for a Belltown Neighborhood Center, and identify alternative sites for the center. Using the program, establish Belltown Multi-Purpose Neighborhood Center providing recreational opportunities, youth activities, senior services, childcare and adult day-care, meeting rooms and space for public and private events. Provide for commercial space as method of self-sustaining funding for the community center and as a method of maintaining and promoting the eclectic nature of Belltown small businesses.



D. BACKGROUND

1. Location
2235 5th Ave, Seattle 98121



2. History

William Bell, for which Belltown is named, built a hotel that stood next to his home at the intersection of 1st, Bell and Blanchard. Bell and Blanchard also run through the historic peak of Denny Hill before it was washed into the bay, and stand as a testimony to a "historic urban archeology", compared to the "urban archeology" proposed by the Growing Vine Street Plan.

<http://www.seattle.gov/neighborhoods/hpi/plans/belltown/>

In November of 1999 the citizens of Seattle passed Proposition 1 (Community Center Levy) funding the development and expansion of 11 community centers. Proposition 1 provides for funding of the Belltown Community Center.

The Denny Hill Association applied and received an early implementation grant for \$35,000. This grant funded a survey of program desires and development of an initial list of sites. The intent was to lease or purchase space, and renovate that space if



necessary, to accommodate community gatherings. The community hired a consultant to develop programming priorities, space requirements based on the programming priorities, siting options and development cost estimates. The group also conducted 3 public meetings in 2000. The public outreach also included a survey on programming options for the center; more than 265 people responded to the survey with their priorities.

As the last project to be completed from the Community Centers Levy, Belltown has been a challenging neighborhood in which to find a suitable and affordable location. The intent is to develop an approximately 5,000- to 7,000-square-foot facility with a multi-purpose room, kitchen, and spaces for neighborhood events and celebrations that can serve as a civic focal point, available for public meetings, classes and rentals.

Previous attempts to site the facility in 2000 with the Low Income Housing Institute's (LIHI) Belltown View site were unsuccessful. Since then Parks conducted additional public meetings between 2001-2005 and has actively investigated many locations in the Belltown neighborhood for a 10-year lease arrangement to house a community center; however, spaces meeting criteria for a center have been virtually non-existent.

In 2010 Parks Acquisition staff investigated an additional 27 sites within the Belltown core for possible lease space to accommodate the Belltown Community Center. Key priorities for location included the following: proximity to Bell St. Park, affordable 10-year lease, ADA accessibility, exclusive entrance and moderate tenant improvement costs.

3. District

With over 6000 households in an area of 216 acres, the Belltown (formerly known as Denny Regrade) neighborhood is one of the densest neighborhoods in Seattle, second only to Capitol Hill. Belltown is also a neighborhood of extremes. The neighborhood is home to many market rate and luxury condos as well as many low and very low income housing units. Over 400 businesses also call Belltown home but as mentioned before, it is not a neighborhood strongly represented by the DSA. The Belltown Business Association (BBA) works on business issues for the community, but it's important to keep in mind the BBA is a small, volunteer run organization with only a little over 100 members. The Belltown Community Council is an active community group and meets monthly to address community concerns. Like all other downtown neighborhoods, Belltown struggles with visible public safety issues. Another very active group in the neighborhood is the Belltown Land Use and Housing Sub-Committee (BLUHS) a spin-off group of the Belltown Community Council. The BLUHS group pays close attention to new development and redevelopment projects, downtown land use policies, transportation issues, and parks/open space concerns. The BLUHS group is a vocal supporter of open space and green streets and has been responsible for much of the streetscape improvements that have happened in Belltown over the last five years.

4. Neighborhood:

The surrounding neighborhood is a mixture mainly of dense multi-family housing. The 2000 census shows census tract 82.1 with a 74.2% white population, 9.5% Black or African American, 5.1% Hispanic or Latino, 8.1% Asian, 2% American Indian and Alaska Native, 2.3% of the population is under 5 years old and 2.3% is between the ages of 5-17.

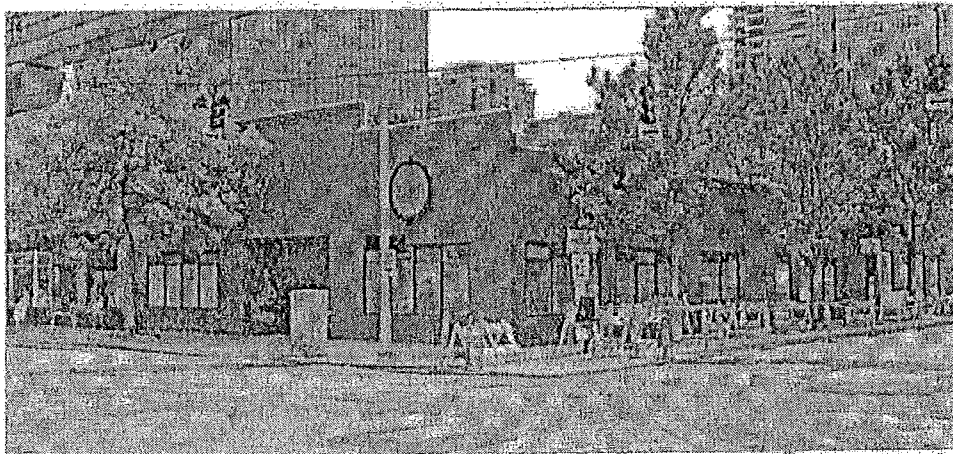
5. Languages:

Of the population over the age of 5 years old: 72.4% speaks English, 4.3% speaks Spanish, 7.5% speaks Chinese, 1.9% speaks Vietnamese, and 1.6% speaks Tagalog.



6. Existing Conditions

The site sits at the corner of 5th Ave and Bell St. The current entrance faces 5th Ave, but will be relocated to face onto Bell St. This intersection represents the eastern edge of Seattle Parks and Recreation Bell St. project. The building is currently available for lease, has one story plus a mezzanine and floor space occupies approximately 6480 square feet.



Looking southwest from the intersection of 5th Ave and Bell St.

II. DESIGN INTENT

A. OBJECTIVE

The community center project components have been assembled to meet the program needs of the Belltown Community Center and include Parks' standards in terms of approximate square footage, intended use of the space, functional relationship to other spaces, and any special requirements which the space or that portion of the structure may have. Total programmed space, including internal circulation, is 6480 square feet.

B. ELEMENTS

Summary of Site Space Allocation

<u>Space</u>	<u>Square Footage</u>
Multi-Purpose Room	1,000 - 2,700
Multi-Purpose Room Storage	150 - 200
Restrooms	2 @ 195
Kitchen	450
Administrative Area:	
Private Offices (1)	180
Lobby:	
Entry/Lobby/Lounge/Info	800
Reception	350
Storage	100
Activity Room(s)/Reading Room	1,000
Circulation & Service Areas	300
Total Area	6,480 SF

1. Multipurpose Room

This room will be a high quality banquet/rental facility and is the main gathering area of the center for a variety of events.



- a. Provide approximately 2,500 square feet in area; shall accommodate 40 - 60 people comfortably for any of the uses listed below.
- b. Intended use of proposed space: receptions, banquets, dance classes, aerobics, weddings, movies, etc. Ability to subdivide this space into smaller spaces to be utilized for small group meetings and activities is ideal.
- c. Relationship to other spaces: the kitchen shall be adjacent to the multipurpose room for food functions and accessible with a pass through window and door; restrooms shall be easily accessible to multipurpose, main entry to multipurpose space shall require the public to pass or be seen from the reception desk; storage space for chairs (on dollies) and tables shall be directly adjacent to multipurpose room.
- d. Special requirements if possible: Acoustical treatment between adjacent rooms and interior rooms; ability to allow separate access by rental party with use of bathrooms and kitchen while rest of CC is closed. Flexible lighting design to accommodate various activities. Flexible mechanical design to accommodate various activities. Divide storage in two units, placed at other ends of the room. Ideally, this room will be dividable into two spaces with a moveable, acoustical wall (Hufcor model #7650-7660 or equivalent approved by Parks). Walls-mirrors on one or two walls, acoustical treatment on others. Floors-maple. Ceiling will be acoustical treated.

Equipment if possible:

- Coat hooks at entry
- Stacking chairs and tables for 50
- Floor outlets as required for flexibility
- Projection area on wall
- Clock
- 2 bulletin boards 4' x 8'
- Aerobic equipment storage (risers, etc.)
- Mirrors on one of two walls, with balance bar

2. Multipurpose Room Storage

- a. Provide approximately 200 square feet adjacent to the multipurpose room.
- b. Desired use of proposed space: storage of craft supplies, games, tables, chairs, office supplies, etc., but with existing standards of storage equipment, such as chair dollies, folding portable tables, stackable chairs or tables; also may be used for storage of dance or aerobics equipment.
- c. Relationship to other spaces: some storage need and adjacent to multipurpose room for tables and chairs; should be kept separate from mechanical rooms or electrical panel rooms.
- d. Special requirements: to include adequate locking cabinets or shelving.

1. Restrooms

- a. Provide men's and women's restroom with approximately 195 square feet each.
- b. Relationship to other spaces: restrooms should be located for easy access from all activities. It is desirable to have close access from children's activity areas. Entries for the restroom area should be visible from the main reception staff area.
- d. Special requirements: meet all handicapped accessibility codes; quantity of fixtures per code; Department prefers American Standard porcelain fixtures and Simmons tempering valves on showers; all fixtures to be designed for maximum water conservation; desirable finish would be glazed quarry tile in cast-in-place concrete; monolithic flooring.



Materials and Equipment

- Wall mounted toilets
- Wall mounted urinals
- Lavatories and countertops
- Mirrors
- Paper towel dispensers
- Trash receptacles
- Liquid soap dispensers
- Coat hooks in each stall
- Grab bars in handicap stalls
- Toilet seat cover dispenser
- Sanitary napkin dispenser
- Sanitary napkin bag disposal

Special Requirements

- Handicapped accessible
- Give special consideration to children and seniors using the center
- Diaper changing stations in both the men's and the women's toilets

Finishes

- Floors: Ceramic tile
- Walls: Ceramic tile
- Enamel paint on other surfaces

4. Kitchen

The kitchen is a multi-use area for heating and serving food, and conducting small cooking classes. It is not intended to be a production kitchen. Commercial equipment should be used in order to stand up to the many users with minimal supervision. Operation of equipment should be easy to learn. Tamper resistant options should be added when equipment is ordered.

- a. Provide approximately 450 square feet.
- b. Intended use of proposed space: potluck type functions, spaghetti feed type dinners; include space and equipment capabilities for heating food and preparation areas to service receptions or banquets of 50-150 people; floor space and counter space for potential cooking classes of up to 8-10 students of varying age groups (youth to senior).
- c. Relationships to other space: kitchen shall be directly adjacent to multi-purpose room with a pass through window for serving. The solid roll door is to provide a sound barrier and is required. Separate door from corridor or lobby to kitchen shall be designed independently from the multipurpose room; exterior access is not a desired relationship due to potential security and vandalism problems, but may be a building code consideration.

The serving counter layout should stress flexibility. Classes will view the instructor's demonstrations from the multipurpose room through a pass-through window or from within the kitchen.

An electric range and convection oven should be provided for cooking. The hood area should be enlarged to capture more air if an island installation is used.

A commercial under the counter dish washing machine should be provided. This will require soiled and clean dish tables. If the largest pot sinks to be reduced from the three to two and the dish washing machines to be used for sanitizing. Need a booster of 180 degrees to dishwasher. The kitchen should have two commercial reach-in refrigerators

and one reach-in freezer. Half-doors with locks will give added security and flexibility for multiple users.

Although not designed as a production kitchen, the area must include a preparation sink. This is not to be used as a hand sink. The hand sink must have permanently mounted paper towel and soap dispensers. Infrared on/off faucet is beneficial on hand sinks. Water temperature should be 104 degrees Fahrenheit at the faucets, 120 degrees Fahrenheit at input, and possibility of needing metering valves for temperature regulation.

Special requirements: Pantry storage in upper cabinets with high quality locks, 18 inches and 12 inches deep. 1-2 self-priming floor drains, large capacity. Counter at pass-through is to be 2 or 3 rollout serving units with lockable casters.

Equipment

- 36" electric range (cook top w/oven base)
- 1 deck convection oven w/cabinet base
- Class A ventilator with fire suppression
- Prep/work tables (w/min. one sink)
- Dishwashing (clean and soiled Dish tables, dish washing machine, hood)
- Serving units (3 or 4-well hot Food table with protector shield, utility unit.)
- Storage cabinet (dry)
- Triple compartment stainless-steel sink with possible grease trap
- 2' x 3' bulletin board
- 2-20 c.f. reach-in refrigerators
- 1-20 c.f. freezer
- Faucet with high neck
- 1 under-counter dishwasher

Storage Requirements

- Provide cabinet and counter space for equipment listed above.

Special Requirements

- 1-2 self-priming floor drains, large capacity
- Counter at pass-through could be 2 or 3 roll-out serving units with lockable casters

Finishes

- Floor: Quarry Tile, not sheet goods, floor pitching to 1 or 2 floor drains
- Walls: Enamel paint or stainless steel over moisture resistant GWB
- Ceiling: Paint over moisture resistant GWB with flush 2 x 4 fluorescent lights
- Doors: Wood

Critical Dimensions

9 feet minimum ceiling height

5. Administrative Area/Office Space

- a. Provide approximately 180 square feet.
- b. Desired use of proposed space: offices and desk space for Sr. Recreation Manager, file cabinets; storage of some equipment, first aid items, supplies, and personal belongings (coats, shoes, gym clothes) of staff; good visual access to reception and possibly multipurpose.
- c. Relationship to other spaces: close proximity to reception desk, lobby, and public office; must be accessible from public office.



- d. Special requirements: the Supervisors must be able to see the front desk, but still be able to maintain privacy in their office to conduct business, small staff meetings or address personnel issues; space should view gym and multipurpose room for supervisory purposes during times of limited staff on duty.

Equipment

- (1) telephone and (1) computer terminal outlet for each of four desks
- Bulletin board, 4' x 8'
- Coat hooks
- Storage shelves
- Small table with 5 chairs for small meetings

Storage Requirements

- Securable individual locking space
- Coat closet
- Office supplies
- First aid items

Special Requirements

- Acoustical privacy
- In-floor (verify) "money safe" in recreation manager's office
- Inter-office communication

Finishes

- Floor: Carpet
- Walls: GWB with paint
- Ceiling: ACT
- Doors: Wood

6. Reception/Lobby/Lounge

The lobby incorporates three distinct areas: the entrance, the lounge area, and the reception area:

The entrance needs to be clearly visible from the outside and provide an open inviting approach to the Center. The current building entrance is off of 5th Ave. The new entrance needs to be located off of Bell St.

The lounge area should have a warm and inviting quality, and should be located near the reception desk. Comfortable seating for users and a place for display of the community bulletin board should be prominent.

The reception area should be clearly visible from the entry and lobby, and needs to support interaction between staff and visitors. The reception desk is the control point for the Center and will provide initial greeting, information and assistance to people entering the facility, checking-out materials; monitor the public coming and going and the lobby/game area. Lobby to be used for waiting and lounge area; lobby is the major area for exhibiting of trophies, awards, announcements, or seasonal displays; possibly vending machine area (two machines) and public telephone. Staff at the reception desk will answer the phones, direct visitors, monitor building security, and handle program signup sheets, etc. A staff work area with computer station should be part of the reception desk. The reception area should have visual control over the facility's entrance and primary entrances to public places throughout the building.

- a. Provide approximately 800 square feet entrance/lobby/lounge area, with an additional 350 square feet for the reception area.
- b. The lobby conveys the initial impression of the facility and its programs and services. It needs to impart a warm welcoming feeling of friendship and neighborliness and be



- thought of as the "living room" of the community. It should easily accommodate ambulatory and non-ambulatory visitors, and be a place for socializing.
- c. Relationship to other spaces: main access point to the community center and this shall "service" the other spaces; shall relate well to design, finish, and sequence of main exterior entry.
 - d. Special requirements: Entry-Slip resistant entry mat, well lit for high visibility after sunset; Lounge area should have adequate lighting for display and storage areas; daylight when possible. Easily maintained carpeting at seating areas. Use tile or similar type flooring at primary circulation areas. Provide coat racks and possibly open shelves for books, etc., near the reception center.
 - e. Special notes: the spatial relationships of lobby/entry/reception area shall be scaled, designed, and sequenced so that the experience and atmosphere are "less institutional" than in past community centers. The exterior entry scale and materials should complement the interior scale and materials. The typical entry sequence at a community center is: enter the front door; pass by the front desk; then proceed to activity. However, many times the lobby is used as a waiting area by all age groups. Thus, the lobby should not only be designed to accommodate the entry sequence, but provide for waiting by utilizing comfortable, well planned seating and display areas.

Entry:

- Walk-off mat inside door.
- Floor should be on easily cleaned hard surface.

Lounge:

- Floor, carpet
- Lounge type seating for approximately 15 or as many as is practical
- End tables & coffee tables
- Lamps
- Magazine & possible book storage
- Umbrella rack
- Pay telephone
- Sink/coffee area
- Drinking fountain
- Display as developed with the community and staff
- Parks information display (confirm with Parks)

Reception:

- Telephones, 1 for each workstation
- PA, security system and lighting control for entire building
- Clock
- File drawers
- Computer terminal
- Area above desk for storage?, height right for staff and guest
- Storage as required for pamphlets, brochures and office supplies, and sports equipment for checkout of equipment, etc

7. Storage

- a. Provide approximately 100 square feet.
- b. Desired use of proposed space: space for custodial use and custodial supplies; provide shelving and equipment; space for one custodian to move freely within shelving, fixed equipment, supplies, and moveable custodial equipment (buckets,



- brooms, mops, etc.); should be kept separate from any mechanical equipment rooms or electrical panel areas.
- c. Relationship to other spaces: the space could be located in several different areas of the building; should be kept separate from other storage spaces; locate near hard surfaces that need mopping.
 - d. Special requirements: fixed equipment, such as floor sump sink, custodial use plumbing fixtures; floor drain; shelving and storage space for custodial supplies and equipment of a wide variety of sizes; counter space or space for small table for custodian to take breaks, fill out paper work, or use as work bench; proper ventilation; proper lighting to allow space to be used as work space as well as storage space. Floor sink is preferably in a separate area from the desk. Natural light should be provided in the desk area if possible. Consider proximity to the general storage space.

Relationships

This area should either be close to the administrative office for access to a telephone or have a telephone at the office space. Proximity to the delivery entrance is important. Office space must be separated from sinks and chemical storage.

Materials and Equipment- as approved by the Community Center Operator

Office Space

- Desk with lockable drawers
- Letter size file cabinet, two drawer
- Comfortable chair
- Locker for personal clothing and safety equipment
- Shelving for administrative materials, notebooks, etc.

Storage Space

- Hanging ladders; 4 feet, 6 feet and 8 feet
- Floor machine
- Vacuum cleaner
- Buckets
- Tool box
- Hand truck
- Double size lockable wall cabinet with shelves for storage of chemicals and paint
- Hooks on at least one wall for hanging mops and brooms
- Shelving on every available wall, should be reinforced for storage of heavy items
- Floor sink

Special Requirements

- No water heater in the storage space
- No recycling in the storage space
- Maximize wall area for shelving
- Possible ventilation needed

Finishes

- Floor: Tile, in units, not rolled goods
- Walls: Paint on two layers fire rated GWB
- Ceiling: Paint on two layers fire rated GWB



8. Activity Room

This 1000 square foot room needs to be as flexible as possible. For this reason storage is located in the room for different activities. The activity room needs to have a counter and sink.

Equipment

- Sinks (2) - one large stainless steel double sink in counter with lockable storage below, with plaster trap for art project debris and one hand wash sink with soap and towel dispensers.
- 2 bulletin boards 4' x 8'
- Display rail at 3-foot height, 2 walls
- Picture rail optional
- Clock

Special Requirements

- Visibility from corridor into room. Could have screen over vision panel above doorknob for privacy from hallway.
- Must have natural light
- Adequate ventilation, operable windows a possibility
- Deluxe warm white fluorescent lights with optional color-balancing wall washers for accurate color rendition
- Washable surfaces
- 20" upper cabinets 12" to 18" deep, lockable
- One storage closet approximately 6 feet wide x 8 feet deep with shelves at either or both side walls.

Finishes

- Floors: linoleum with 8 inch base
- Walls: Water-resistant GWB in areas subject to moisture to 42 inches high over moisture resistant gypsum wall board above wainscot.
- Ceilings: Gypsum wall board with epoxy paint
- Cabinets: Lab grade plastic-laminate on plywood for counters, 6 inch high backsplash, commercial grade stainless steel sink, extra heavy-duty commercial grade glides and hinges on cabinets.

Critical Dimensions

10 foot minimum ceiling height

9. Circulation

- a. Provide approximately 310 square feet of internal circulation space for access to each of the various programmed areas in the center. The public will heavily use these areas. Materials should be durable and need minimal maintenance. They should be easy to clean or easily replaceable. Provide niche for food vending machines (min. 2) should be located along main corridor, where they can be supervised.

Finishes

- Floors: Unit tile
- Walls: Durable materials
- Ceilings: ACT or GWB



III. SCHEDULE

The goal is to open the Community Center with the opening of Bell St. Park, slated to open in the 1st quarter 2012.

Event	Purpose	Schedule
PLANNING		<i>December 2010 – March 2011</i>
PAT	Project Advisory Team (PAT) selection and formation	December 2010 – January 2011
PAT #1	PAT meeting	February 28, 2011
Sign Installation	4'x4' site sign	February 2011
Media Release	Press release, flyers, website	February 2011
ProView #1	Approval of Draft Design Program and Public Involvement Plan	March 1, 2011
Public Involvement Meeting #1	Input on Community priorities for Operating Program	March 16, 2011
Tenant Improvements	Tenant Improvements Identified – take to ProView	March 2011
PAT #2	PAT meeting	March 28, 2011
Operator Selection	Request For Proposal (RFP) process - RFP advertised and released	April 2011
DESIGN		<i>April 2011 – June 2011</i>
Lease Legislation	Legislation and agreement package to Law, Mayor's Office, and City Council for Approval	April 2011
Operator Selection	RFP proposals due	May 2011
PAT #3	PAT meeting	April 25, 2011
ProView Tech	Review Tenant Improvement Plan 65%	April/May 2011
Operator Selection	Interviews	May/June 2011
DESIGN DEVELOPMENT		<i>June 2011 – September 2011</i>
Public Involvement Meeting #2	Status report on RFP process	(June 15) July, 2011
Operator Selection	Contract negotiations with selected proposal company; staff begins drafting legislation and agreement	July 2011
Operator Selection & Legislation	Legislation and agreement package to Law, Mayor's Office, and City Council for Approval	August 2011
Public Involvement Meeting #3	Status report on RFP process and Opening Date	September 2011
CONSTRUCTION		<i>April 2011 – December 2011</i>
Tenant Improvements	Under construction	April 2011
Community Center Opening		1 st Quarter 2012

IV. ADMINISTRATION

A. REPORTING

The Project Manager will include the status of the budget to ProView, as part of the construction document review. The ProView team review shall also confirm with the Design Team that sufficient funding exists in the CIP allocation to accomplish all program elements.



Project Steering Committee must approve any significant deviations in the project elements or budget.

B. TECHNICAL PROJECT REVIEW

1. **ProView Review**
The Project Manager will coordinate design reviews by ProView, which meets every Tuesday morning.
2. **ProView Technical Review**
The Project Manager will coordinate construction plan reviews by ProView Technical Review, which meets every Wednesday morning.
3. **Project Steering**
Changes to the scope, schedule or budget must be reviewed by Project Steering, which meets on the second and fourth Tuesday of each month.
4. **Environmental Review**
 - A SEPA Checklist may be required for the Design Plan, along with an Environmental Clean-up assessment.
 - Environmental Management System Project Information Form (PIF). This is a new internal checklist to be completed for all capital projects. It will be used to determine any potential or probable liability related to the construction site. For a draft copy, contact Jodi Sinclair at 684-7292. The project manager is responsible for completing this checklist and submitting it before the start of design to Jodi Sinclair, Environmental Stewardship unit of the Parks Division.

C. PERMITS

The following permits and reviews may be necessary. It is the responsibility of the consultant to determine the needed permits.

1. **Construction Permit:** Required for any structures.
2. **Street Use Permit(s):** Required if work (paving, staging, sidewalk closure, utility work, etc.) is done within non-vacated street rights-of-way. Usually the contractor is responsible for obtaining street use permits; however any design issues must be resolved as part of the construction permits review.
3. **Electrical, Plumbing, Side Sewer Permits:** Required if scope of work includes work on these items. The contractor will be responsible for obtaining these permits.
4. **Washington State Water Recreation Facilities WAC 246-260-101**

D. COMPLIANCE & STANDARDS

The Department has adopted written Park Standard Guidelines and Specifications for various park elements. The applicable standards should be incorporated into the design and construction documents as appropriate. Copies are available in the Planning and Development Division Engineering/Design Services Section, 3rd Floor, RDA Building, 800 Maynard Avenue S, 3rd Floor, Seattle WA 98134-1336.

V. PUBLIC INVOLVEMENT PLAN

A. OUTREACH & PUBLIC ENGAGEMENT PLAN ENGAGEMENT ACTIVITY:

The Seattle Parks and Recreation Department has an Outreach and Public Engagement Plan to reflect the Race and Social Justice Initiative, Translation and Interpretation Policy. It provides inclusion of people of diverse races, cultures, gender identities, sexual orientation and socio-economic status. This Plan is designed to increase access to information, resources and civic processes by people of color and immigrant and refugee communities.

B. Race and Social Justice Initiative:

- Goal 2: Strengthen the way the City provides services and engages with the community:



- The Department's community engagement activities involve participants who reflect the demographics of the neighborhoods where the engagement occurs. Review division D for demographic information.
- Use the Outreach and Public Engagement Toolkit as a resource in public engagement activities to ensure coordinated and effective approaches to City engagement activities.
- Translation and interpretation will be provided including Spanish per the City's policy and consideration should be given in response to the neighborhood's demographics and consultation with the Department of Neighborhoods District Coordinator.
- Work with immigrant and refugee-led community based organizations to increase the accessibility of City services, such as Plymouth Housing Group.

C. Public Meetings:

Two to three public meetings will be held for the Belltown Community Center Development Project starting in the 1st Quarter of 2011.

D. Public Involvement Policy Attachment A:

1. Project sign: Three project sign (4'x4') will be posted on site 3 weeks prior to public meeting. Signs will be posted in accordance with Parks policy.
2. Internet: At the time the sign is erected, the same information will be posted on Parks web site under "Projects and Planning" section, and on the Events and Meetings Calendar. Parks' project web page will be updated regularly with project scope, schedule, budget information, public meeting notices, meeting summary notes, and contact information.
3. Mail Notification: Flyers will be mailed to residents within 300 feet of the Park's site, including adjacent carrier routes and distributed to nearest branch library, community center, district council, community council, groups identified in the Outreach and Public Engagement Plan, neighborhood service center, fire station, and appropriate Department of Neighborhoods neighborhood service center Coordinator. Electronic mailings will be utilized where available.
4. News Release: Will be submitted to the local community newspaper, community newspapers serving ethnic, immigrant, and other specific populations, the Seattle Times, and identified blogs in that sector of the city.
5. Interested Organizations:
 - Belltown Community Council
 - Belltown Business Association
 - Dorothy Day House: Catholic Community Services
 - Housing Resources Group
 - Real Change
 - YWCA
 - Seattle Housing Authority
 - Seattle Police Department: West Precinct
 - Low Income Housing Institute
 - Plymouth Housing Group
 - Board of Park Commissioners
 - Associated Recreation Council
 - Department of Neighborhoods
 - Department of Planning and Development
6. Project Advisory Team (PAT): The members of the Belltown Community Center PAT are managed by Seattle Parks and Recreation, the PAT's membership includes 3-7 city liaisons, community members and business owners from the neighborhood.



Terry Dunning
DPR Belltown Comm Center Lease ORD Exh B to Att 1
August 25, 2011

Design Program & PIP Prepared by: Susanne Rockwell, Project Planner, Parks PDD

Project Review

Michael Shiosaki -- Deputy Director
Rebecca Salinas -- Partnerships Manager
Sue Goodwin -- Recreation Division Director
Karen O'Connor -- Public Information
Ed Jackson -- Facilities Maintenance Supervisor
Cynthia Thurmond -- Downtown Crew Chief
Mohan Khandekar -- Sr. Architect
Terry Dunning -- Acquisition Manager
Victoria Schoenberg -- Center City's Program Manager
Marrell Livesay -- Environmental Analyst
Aaron Bert -- Parks Resources Manager

Note -- Paul Gracey SPD, Sgt. West Precinct -- 386.9135, C 375.6708



ATTACHMENT A: PUBLIC INVOLVEMENT PLAN CHECKLIST

To determine the scope of the public process the following questions were answered:

- A. If the answer to any of the following is YES, the Public Involvement Policy does not apply:
(No to both)
- ♦ Is the public process for the proposed project guided by a law or separate City policy? If yes, refer to that law or policy. (For example, City's State Environmental Policy Act (SEPA) rules, SMC Chapter 25.05; DPR Policy and Procedure 3.9.1.1, Concession Contracts: Public participation in request for proposal; Non-Park Use Policies and Procedures.)
 - ♦ Is the proposal the result of a current emergency situation? If so, no public process is necessary.
- B. If the answer to any of the following is YES, there will be at least one public meeting:
"Yes" to the following:
- ♦ Would the completed proposal substantially change what the park looks like? -
 - ♦ Would the proposal involve construction or other activity that would substantially disrupt park activities, or require the closure of the entire park? -
 - ♦ Would the completed proposal substantially change what activities can occur in the park? -
 - ♦ Would the completed proposal result in demonstrable impacts on surrounding neighbors? -
 - ♦ Would the completed proposal result in a demonstrable increase in an existing activity or use? -
- "No" to the following:
- ♦ Does the proposal add space to the park system? -
 - ♦ Will the project affect persons with disability or other special populations? -
 - ♦ Does the proposal affect an Olmsted park? -
 - ♦ Is the proposed project subject to the provisions of the Joint Use Agreement with the Seattle School District? -
 - ♦ Was the proposal initiated by members of the community (i.e., is it a Neighborhood Matching Fund project or a neighborhood plan-identified project)? -
- C. If the answer to any of the following is NO, refer the issue to the Board of Park Commissioners for review.
- ♦ Is the proposal consistent with the current year Capital Improvement Plan? - Yes
 - ♦ Is the proposal consistent with the park's Master Plan, if applicable? - Yes
 - ♦ Is the proposal consistent with the Parks Strategic Action Plan? - Yes
 - ♦ Is the proposal consistent with the neighborhood plan, if applicable? - NA
 - ♦ Is the proposal consistent with the Use Management Guidelines for Park and Recreation Facilities (Policy and Procedure 7.13.1), or with specific use management guidelines for Green Lake, Freeway, Seward/Lake Washington Boulevard, Gasworks, Occidental, Volunteer, Magnuson, Lincoln, Waterfront, Market (Steinbrueck), Stan Sayres/Mt. Baker Rowing Parks? - NA
 - ♦ Does the Department have the resources to sustain the level of activity in the park? - Not Sure
- D. Other factors to consider in deciding the scope of a public process:
- ♦ What are the "unintended consequences"? -
 - ♦ Does the proposal respond to a documented need?
 - Safety
 - Recreational
 - Routine maintenance/repair/replacement based on a condition assessment
 - Other -- Desire for development of property as outlined in the Neighborhood Plan
 - ♦ Have scheduled activities (picnics, day camps, ball games, etc.) been cancelled? - No



EXHIBIT C

Option to Renew

Tenant is granted the option to extend the term of this Lease beyond the expiration of the initial term for sixty (60) months on all the provisions contained in the Lease except for the Base Rent. The conditions which must be met for Tenant to exercise its right are as follows:

- (a) Tenant shall not be in default on the date of notice;
- (b) Tenant has fully and faithfully performed all of the covenants, conditions and terms of this Lease at all times;
- (c) Tenant shall deliver to Landlord written notice ("Election Notice") of Tenant's election to exercise the option to extend at least six (6) months but not more than nine (9) months before the Expiration Date

If Tenant fails to satisfy or comply with any or all of the above conditions, then the option to extend shall be void and of no force of effect. If Tenant satisfies and complies with all of such conditions and elects to exercise the option to extend, the minimum rent shall be adjusted to Fair Market Rent for comparable buildings in the Seattle-Belltown area. Upon the Tenant exercising its option to renew, the parties will use good faith efforts to reach an agreement on what constitutes Fair Market Rent for the Extended Term. In no case shall the Fair Market Rent for the Extended Term be less than minimum rent for the last year of the Lease Term. If the parties are unable to agree upon Fair Market Rent after a thirty- (30) day period within which the parties shall attempt to negotiate such rent, the parties agree to submit the matter to binding arbitration with a single arbitrator in accordance with Washington law; PROVIDED, HOWEVER, that the difference in Landlord's determination of Fair Market Rent and that of Tenant's determination of market rent must vary more than five percent (5%) for any arbitration to apply. (If the difference is five percent (5%) or less, then the difference shall be split in half.) The arbitrator shall be a licensed real estate broker who has been active over the previous five (5) year period in the leasing of office spaces. If Landlord and Tenant are unable to agree on the arbitrator within ten (10) days after the election of the parties to determine Fair Market Rent by arbitration, each shall select a broker who shall be qualified under the same criteria set forth above, and so notify the other party in writing within ten (10) days after the end of such ten (10) day period. The two brokers so chosen by the parties shall then appoint the arbitrator within ten (10) days after the date of the appointment of the last appointed broker. If the two brokers so chosen by the parties are unable to agree on the arbitrator within such ten (10) day period, the arbitrator will be appointed by the director (or the equivalent) of the Seattle Office of the American Arbitration Association upon the application of either party. If either party fails to timely select its broker and so notify the other party in writing within the foregoing ten (10) day period, and the other party timely selects its broker, then the broker selected by the other party shall be the arbitrator for determining Fair Market Rent. Within thirty (30) days after the selection of the arbitrator, the arbitrator shall determine Fair Market Rent by selecting either the Fair Market Rent stated in Landlord's submission to the arbitrator or the Fair Market Rent stated in Tenant's submission. The arbitrator shall have no power to average such amounts or to designate a Fair Market Rent other than that specified in either Landlord's submission or Tenant's submission. Both parties may submit any information to the arbitrator for his or her consideration, with copies to the other party. The arbitrator shall have the right to consult experts and competent authorities for factual information or evidence pertaining to the determination of Fair Market Rent. The arbitrator shall render his or her decision by written notice to each party. The determination of the arbitrator will be final and binding upon Landlord and Tenant.

FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Parks and Recreation	Terry Dunning/ 684-4860	Amy Williams/ 233-2651

Legislation Title: AN ORDINANCE authorizing the Superintendent of Parks and Recreation to sign a lease with 2235 Fifth Avenue, LLC, a Washington Limited Liability Company for a building and land located at 2235 Fifth Avenue for a public Community Center as described in the 1999 Community Centers and Seattle Center Levy, and ratifying and confirming certain prior acts.

Summary and background of the Legislation: The 1999 Community Centers and Seattle Center Levy included a Belltown Community Center project. The project was proposed as: "Leasing or purchasing of space, and build out of that space, if required, to accommodate community gatherings." Since the adoption of the Levy in 1999, the Department of Parks and Recreation has worked with community members and property owners throughout the Belltown neighborhood to identify and secure a site. During the past eleven years, over thirty sites have been reviewed and evaluated. Most sites failed to meet City and/or community objectives for a community center due to size, location, physical condition, or cost. Early efforts were directed toward purchasing a condominium interest in a building, but due to high property values in Belltown, no suitable site was found.

The proposed lease is of an older building located on the southwest corner of 5th Avenue and Bell Street. It is strategically located, facing the developing Bell Street Boulevard. The park boulevard and community center will compliment and mutually activate each other.

The building consisted of approximately 6,480 rentable square feet; however, that space has been somewhat diminished by the removal of a mezzanine that does not meet several codes. The net usable space for the Community Center will be approximately 6,200 square feet. Upon approval of the proposed lease, the landlord will begin tenant improvements to make the space suitable for a community center. The improvements include construction of new activity rooms, kitchen and restrooms. These tenant improvements, valued at \$935,000, will be constructed before the anticipated occupancy date of first quarter, 2012. The Department will fund the improvements, and payment will be made in a lump sum upon completion and acceptance by the City. Rent for the space will begin upon acceptance of the premises by the City, which is anticipated to be by December 1, 2011. The rent increases slightly over the seven-year lease term, beginning at \$10,260 per month for the first year; increasing to \$12,150 per month for the last two years. The overall cost of the facility including rent and tenant improvements will be funded with the remaining funds from the 1999 Community Center and Seattle Center Levy. The amount of funds is adequate to fully fund this project over the term of the agreement.

Upon completion of the improvements and acceptance of the facility, operation of the Center will be by a non-profit provider. The operator provider will absorb all costs of operation, and in return, assume the revenues generated by the facility. The selection of the center operator is

currently underway and it is anticipated that an agreement with a provider will be completed in time for the scheduled opening of the facility. The operator agreement will be in separate legislation later this year.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:
Belltown Neighborhood Center	K73484	2235 Fifth Avenue	2000 Qtr3	2019 Qtr4

Please check any of the following that apply:

☐ This legislation creates, funds, or anticipates a new CIP Project.

☐ This legislation does not have any financial implications.

☒ This legislation has financial implications.

Appropriations:

Fund Name and Number	Department	Budget Control Level*	Existing 2011 Appropriation	New 2011 Appropriation (if any)	2012 Anticipated Appropriation
1999 Seattle Center/ Comm- unity Centers Fund 33800	Parks and Recreation	1999 Community Center Improvements	\$1,892,434	\$0	\$0
TOTAL	NA	NA	\$1,892,434	\$0	\$0

Appropriations Notes: The estimated cost of the Belltown Community Center project from 2011 through the term of the lease is \$1,951,745. To date \$2,024,370 has been appropriated for this project, and \$131,936 has been spent through 2010 leaving a balance of \$1,892,434. Additional appropriation authority will be requested in the later years of the lease as needed.



Spending Plan and Future Appropriations for Capital Projects:

Spending Plan and Budget	2011	2012	2013	2014	2015	2016	Total
Spending Plan	104,415	1,058,660	129,600	129,600	129,600	130,950	1,682,825
Current Year Appropriation							
Future Appropriations		0					0

Spending Plan and Budget Notes: This project anticipates that certain operating expenses addressed in the lease will be passed on to a non-profit operator who has not yet been selected, but whose selection will occur before the center opens.

Funding Source: 1999 Community Centers and Seattle Center Levy

Funding Source	2011	2012	2013	2014	2015	2016	Total
1999 Seattle Center/ Community Centers Fund 33800	104,415	1,058,660	129,600	129,600	129,600	130,950	1,682,825
TOTAL	104,415	1,058,660	129,600	129,600	129,600	130,950	1,682,825

Funding Source Notes: Fund balance as of 12-31-10 was \$2,061,382.

Bond Financing Required: NA

Type	Amount	Assumed Interest Rate	Term	Timing	Expected Annual Debt Service/Payment
TOTAL	NA	NA	NA	NA	NA

Bond Notes:



Uses and Sources for Operation and Maintenance Costs for the Project:

O&M	2011	2012	2013	2014	2015	2016	Total
Uses							
Start Up	0	0	0	0	0	0	0
On-going	0	0	0	0	0	0	0
1999 Seattle Center/Community Centers Fund 33800							

Operation and Maintenance Notes:

Operation and maintenance of the site will be the responsibility of a non-profit recreational service provider. Steps are currently underway to negotiate an agreement with a potential provider and it is the intent of the department to secure an agreement before opening the facility to the public.

Periodic Major Maintenance Costs for the Project: N/A

Major Maintenance Item	Frequency	Cost	Likely Funding Source
TOTAL	N/A	N/A	N/A

Funding sources for replacement of project: N/A

**Total Regular Positions Created, Modified, or Abrogated through this Legislation,
Including FTE Impact: N/A**

Position Title and Department*	Position # for Existing Positions	Fund Name & #	PT/FT	2011 Position s	2011 FTE	2012 Positions **	2012 FTE **
TOTAL	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Position Notes:

Do positions sunset in the future? N/A

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
Yes, the proposed lease is for seven years, and it obligates the City to pay lease payments



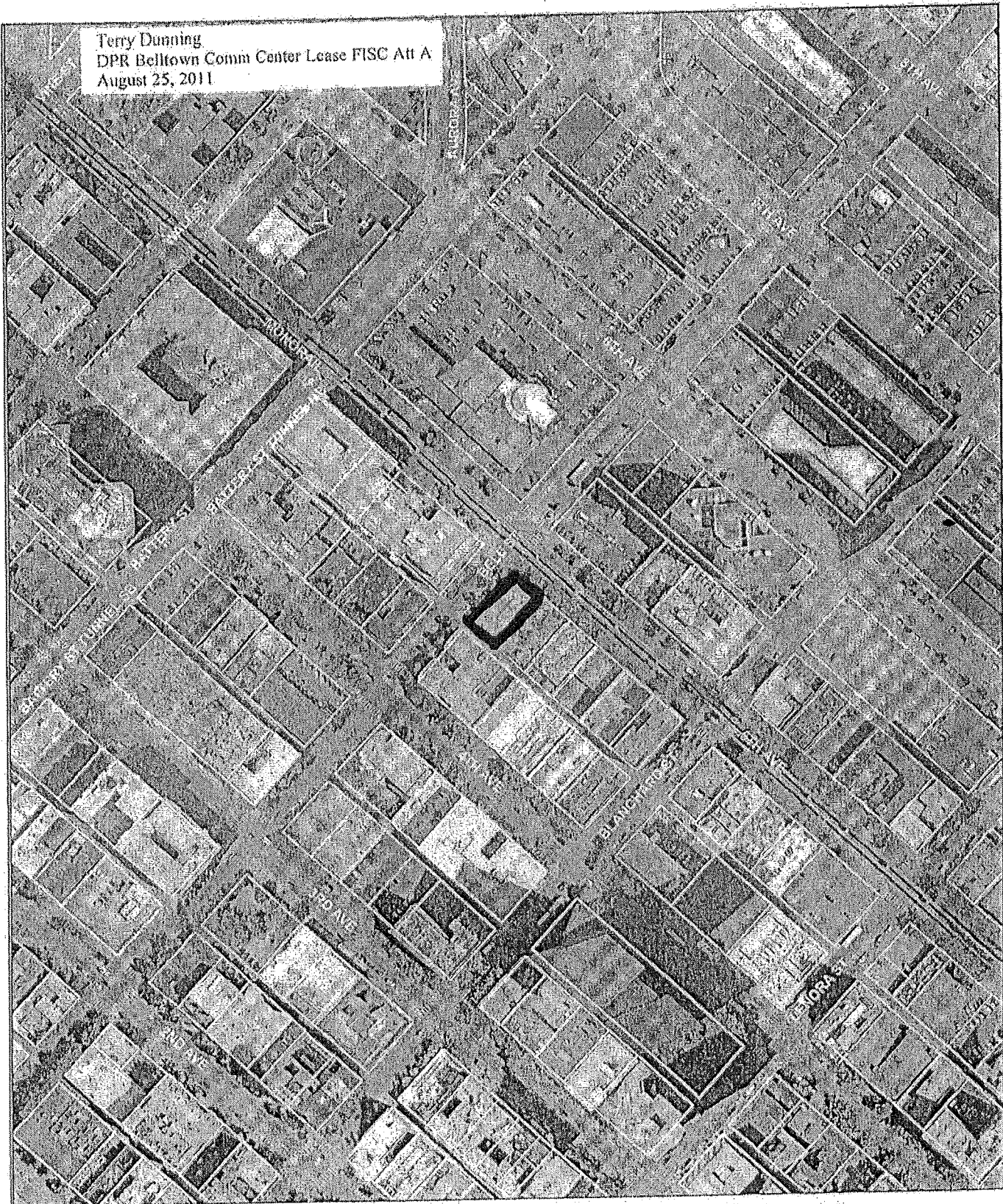
for the duration. Funding for the payments will be fully paid for by the 1999 Levy.

- b) **What is the financial cost of not implementing the legislation?** There is no financial cost of not implementing the legislation. However, it is unlikely, based on the long search to find this lease option, that another opportunity will be feasible to implement the Levy Belltown project.
- c) **Does this legislation affect any departments besides the originating department?** No.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** Alternatives that have been explored include purchase of a building or condominium space in a building. Neither of these alternatives is financially feasible.
- e) **Is a public hearing required for this legislation?** No.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** No.
- g) **Does this legislation affect a piece of property?** Yes, it is a lease agreement for space at 2235 Fifth Avenue.
- h) **Other Issues:** None.

List attachments to the fiscal note below:

Attachment A – Location Map



Terry Dunning
DPR Belltown Comm Center Lease FISC Att A
August 25, 2011



Belltown Community Center Location Map - Fiscal Note Attachment A

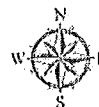


Legend

-  Parcel of Interest
-  Parcels

100 0 100
Feet

1 inch = 200 feet



©2011, CITY OF SEATTLE
All Rights Reserved

No Warranty of any sort, including
accuracy, fitness or merchantability
accompany this product.

Map date August 17, 2011





City of Seattle
Office of the Mayor

October 25, 2011

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill that authorizes the Superintendent of Parks and Recreation to execute a lease for space to house the Belltown Community Center. The 1999 Community Centers and Seattle Center Levy directed Parks and Recreation to provide Belltown a space for community gatherings. This legislation completes that project by providing a 6,200 square foot facility offering the neighborhood a place for community gatherings, special event rentals, and classes.

Although the original Levy language anticipated that the City would purchase a small space, probably a condominium interest, no such space was affordable and available during the many years trying to implement the Levy's objective. This proposed seven-year lease fulfills the Levy's direction and provides a small, but valuable space in the City's most densely populated neighborhood. In addition, locating a community center at the corner of Fifth Avenue and Bell Street will create a recreational anchor for the new parkway along Bell Street Boulevard.

The Belltown Community Center will be operated by a non-profit organization, under a separate operating agreement; legislation regarding the operating agreement will come to the Council later this year. It is anticipated that the tenant improvements will be complete, an operator selected, and the facility ready for public use by January 2012.

Community interest in fulfilling this Levy obligation has remained very high during the many years that have been dedicated to finding affordable space. Approval of this legislation will satisfy that long-term commitment and provide valuable community space in Belltown. Thank you for your consideration of this legislation. If you have any questions regarding this proposal, please contact Terry Dunning at 684-4860.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



